United Nations

Financial report and audited financial statements

for the 12-month period from 1 July 1997 to 30 June 1998

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

General Assembly
Official Records
Fifty-third Session
Supplement No. 5 (A/53/5)

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Note

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Abbreviations

MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURSO	United Nations Mission for the Referendum in Western Sahara
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observation Mission in Angola
ONUC	United Nations Operation in the Congo
ONUCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMIC	United Nations Advance Mission in Cambodia
UNAMIR	United Nations Assistance Mission for Rwanda
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNEF	United Nations Emergency Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNMOT	United Nations Mission of Observers in Tajikistan
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission in Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPROFOR	United Nations Protection Force

UNSMIH	United Nations Support Mission in Haiti
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti
UNTSO	United Nations Truce Supervision Organization

Letters of transmittal

2 October 1998

Dear Mr. Chairman,

In accordance with financial regulation 11.4, I have the honour to submit the accounts of the United Nations peacekeeping operations for the 12-month period from 1 July 1997 to 30 June 1998, which I hereby approve. The financial statements have been drawn up and certified by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) Kofi A. **Annan**

Mr. Vijay K. **Shunglu**
Chairman
United Nations Board of Auditors
New York

February 1999

Sir,

I have the honour to transmit to you, the financial statements of the United Nations Peacekeeping Operations for the financial period 1 July 1997 to 30 June 1998, which were submitted by the Secretary-General. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(*Signed*) Osei Tutu **Prempeh**
Auditor General of Ghana
and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Financial report for the United Nations peacekeeping operations for the period from 1 July 1997 to 30 June 1998

1. The Secretary-General has the honour to submit his financial report on the accounts of the United Nations peacekeeping operations for the period from 1 July 1997 to 30 June 1998. The accounts in the present volume consist of 33 statements as at the end of June 1998 with related schedules and notes covering peacekeeping operations funded by assessments, as well as the Peacekeeping Reserve Fund, the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi, Italy (see chap. V).

2. As stipulated in financial regulation 2.1, the financial period for peacekeeping operations, with the special accounts, is one year, from 1 July to 30 June, as decided by the General Assembly in its resolution 49/233 A of 23 December 1994. Certain peacekeeping operations, such as UNTSO, UNMOGIP, MINUGUA and others, that are funded from the United Nations regular budget, are reported as part of the financial statements. The expenditures of such funds are listed in annex I to the present volume. Peacekeeping-related activities funded by general trust funds are reported in volume I of the United Nations financial report and audited financial statements and in annex II to the present volume.

A. Overview

3. Statements I, II and III of the accounts in the present volume summarize the consolidated results of United Nations peacekeeping activities for the period from 1 July 1997 to 30 June 1998. Statement I includes income received and expenditures incurred. Schedule 1.1 reflects expenditures by category incurred by various active missions during the financial period. Statement II includes a summary of assets, liabilities, reserves and fund balances of peacekeeping operations as at 30 June 1998. Statement III summarizes the net cash flows for all peacekeeping activities for the period. Expenditures for peacekeeping activities amount to $879.3 million for the current 12-month period compared to $1,166.4 million during the previous 12-month period. This reduction did not affect the volume of work related to maintaining and updating the financial records, as transactions had to be recorded for the active missions and for missions in the liquidation phase, for which there is a significant backlog on pending inter-office transactions, as well as for completed missions.

4. The financial situation of the United Nations peacekeeping operations during the period from 1 July 1997 to 30 June 1998 was affected by serious cash shortages. This necessitated borrowing from and among peacekeeping funds, while substantial amounts of obligations for reimbursement to Member States for troop cost and contingent-owned equipment continued to remain unpaid. The failure of a number of Member States to pay their assessed contributions in full and on time for peacekeeping operations as well as for the regular budget and the international tribunals has resulted in recurring cash crises and exacerbated the Organization's inability to meet its financial obligations.

5. Table 1 shows expenditures during the last three bienniums, ending December 1995, for the six-month period from 1 January to 30 June 1996, for the period from 1 July 1996 to 30 June 1997 and for the period from 1 July 1997 to 30 June 1998 for each assessed peacekeeping mission. Starting from 1 July 1996, a new 12-month financial period, 1 July to 30 June, was authorized by the General Assembly.

6. As at 30 June 1998, the total unpaid assessed contributions for peacekeeping operations amounted to $1,739.9 million, compared with $2,180.7 million as at 30 June 1997. Table 2 shows the amounts of unpaid assessed contributions for each of the United Nations peacekeeping operations at the end of the last three bienniums, ending December 1995, and at 30 June 1996, 30 June 1997 and 30 June 1998.

7. Table 3 shows the gap as at 30 June 1998 between the cash available for each peacekeeping operation and the liabilities, including amounts owed to Member States. Available cash for all operations totalled $647.6 million, while total obligations were almost three times higher, at $1,783.2 million.

B. Active peacekeeping operations

8. Statements IV to XVIII present the financial position for each of the peacekeeping operations active during the period from 1 July 1997 to 30 June 1998, along with detailed expenditure schedules.

9. Statement IV records the accounts of UNFICYP, which are different from those of other peacekeeping operations. Prior to 16 June 1993, UNFICYP operations were funded solely by voluntary contributions in cash and in kind. Accordingly, no obligations were recorded in the accounts prior to 16 June 1993 unless sufficient voluntary contributions had been pledged or received to cover them. As a consequence, a total of $186.6 million in outstanding obligations due to the Member States incurred prior to 16 June 1993 is not shown as a liability for that period. The General Assembly, in its resolution 47/236 of 14 September 1993, decided that, beginning 16 June 1993 the costs of UNFICYP operations should be treated as expenses of the Organization to be borne by all Member States. Assessments have been made for mandate periods starting from 16 June 1993. Total expenditures for the 12-month period ending 30 June 1998 amounted to $52.7 million, as compared with $45.0 million in the previous 12-month period.

10. UNEF 1973 and UNDOF (statement V) had a total authorized retained surplus of $49.6 million, including $36.0 million transferred to a special account in accordance with General Assembly resolution 36/116 A of 10 December 1981. Total expenditures during the 12-month period from 1 July 1997 to 30 June 1998 amounted to $32.5 million, which is almost the same as for the previous 12-month period, at $32.4 million.

11. UNIFIL (statement VI) had authorized retained surpluses totalling $82.9 million, including $19.6 million transferred to a special account in accordance with General Assembly resolution 36/116 A. Total expenditures for the 12-month period from 1 July 1997 to 30 June 1998 amounted to $125.0 million, which is slightly less than the amount for the previous 12-month period, at $126.7 million.

Table 1
Total expenditures
(Millions of United States dollars)

Mission	*1990-1991*	*1992-1993*	*1994-1995*	*1 January-30 June 1996*[a]	*1 July 1996-30 June 1997*[b]	*1 July 1997-30 June 1998*[a]
UNFICYP	42.2	48.5	96.7	19.2	45.0	52.7
UNDOF	82.2	65.1	62.1	14.4	32.4	32.5
UNIFIL	297.9	284.9	263.9	54.4	126.7	125.0
UNIKOM	65.9	93.9	114.2	23.9	48.0	48.1
MINURSO	52.8	54.6	86.7	20.5	29.3	40.9
UNPF	–	1 359.7	3 039.5	240.3	46.8	1.2
UNTAES	–	–	–	69.2	265.1	119.9
UNPREDEP	–	–	–	19.3	50.4	39.6
UNMIBH	–	–	–	33.7	118.2	157.1
UNOMIG	–	1.0	21.2	7.6	15.9	20.9
UNMOT	–	–	6.6	3.1	5.7	13.9
UNAVEM	58.0	103.6	253.5	147.5	302.3	170.5
UNAMIR	–	9.9	375.0	48.1	2.4	–
UNOMIL	–	6.4	45.6	9.3	26.1	10.0
UNSMIH	–	1.2	226.3	77.5	48.2	29.4
MINURCA	–	–	–	–	–	17.6
MINUGUA	–	–	–	–	3.9	–
ONUMOZ	–	199.8	292.7	–	–	–
UNOSOM	–	788.1	860.5	–	–	–
ONUSAL	92.4	68.7	30.8	–	–	–
UNTAC	4.1	1 584.5	16.1	–	–	–
UNMLT	–	0.1	0.5	–	–	–
UNTAG	59.0	0.0	0.0	–	–	–
UNIIMOG	63.4	0.0	0.0	–	–	–
ONUC	(0.2)	(0.5)	0.2	–	–	–
UNEF	1.4	(2.9)	2.8	–	–	–
Total	**819.1**	**4 666.6**	**5 794.9**	**788.0**	**1 166.4**	**879.3**

[a] Reflects activities for a six-month period.

[b] Reflects activities for a 12-month period.

Table 2
Unpaid assessed contributions
(Millions of United States dollars)

Mission	*31 December 1991*	*31 December 1993*	*31 December 1995*	*30 June 1996*	*30 June 1997*	*30 June 1998*
UNFICYP	–	4.6	8.1	9.5	13.6	15.7
UNDOF	37.0	21.7	37.1	27.5	15.3	14.9
UNIFIL	264.1	208.3	203.8	230.2	254.6	112.8
UNIKOM	41.3	25.0	31.3	21.6	11.4	11.1
MINURSO	55.4	20.4	45.9	47.7	58.7	64.0
UNPF	–	437.6	803.4	734.9	942.8	693.8
UNTAES	–	–	–	84.6	56.3	50.7
UNPREDEP	–	–	–	22.4	13.0	11.1
UNMIBH	–	–	–	38.8	29.8	54.4
UNOMIG	–	2.5	1.1	1.5	6.3	6.6
UNMOT	–	–	4.9	0.7	2.6	7.0
UNAVEM	14.9	39.9	62.4	120.9	158.2	122.6
UNAMIR (UNOMUR)	–	50.7	59.4	85.1	34.7	26.7
UNOMIL	–	39.8	7.9	11.0	21.4	6.2
UNSMIH	–	1.4	120.3	95.8	43.9	26.0
MINURCA	–	–	–	–	–	18.4
MINUGUA	–	–	–	–	2.4	0.3
ONUMOZ	–	141.9	41.2	40.1	39.2	24.3
UNOSOM	–	224.0	315.1	314.9	300.9	301.1
ONUSAL (ONUCA)	25.1	28.4	20.9	20.5	10.1	12.0
UNTAC (UNAMIC)	13.4	322.8	49.9	49.0	48.3	43.2
UNMLT	–	0.8	–	–	–	–
UNTAG	3.5	2.3	0.6	0.5	0.5	0.4
UNIIMOG	1.2	0.9	0.2	0.2	0.1	0.1
ONUC	75.4	75.4	73.9	73.9	73.9	73.9
UNEF (1956)	43.0	42.7	42.7	42.7	42.7	42.6
Total	**574.3**	**1 691.1**	**1 930.1**	**2 074.0**	**2 180.7**	**1 739.9**

Table 3
Available cash versus liabilities as at 30 June 1998
(Millions of United States dollars)

Mission	*Available cash*	*Liabilities*
UNFICYP	20.4	28.0
UNDOF	35.4	27.0
UNIFIL	98.4	114.1
UNIKOM	43.3	28.9
MINURSO	3.7	46.1
UNPF	3.3	491.7
UNTAES	92.4	96.5
UNPREDEP	61.9	60.7
UNMIBH	23.7	44.4
UNOMIG	4.8	8.2
UNMOT	4.0	7.1
UNAVEM	54.1	136.0
UNAMIR (ONUMUR)	36.3	32.4
UNOMIL	7.4	6.9
UNSMIH/UNMIH	105.8	145.5
MINUGUA	0.1	0.3
ONUMOZ	15.4	55.2
UNOSOM	1.5	287.5
ONUSAL (ONUCA)	5.2	15.0
UNTAC (UNAMIC)	3.5	41.7
UNMLT	0.3	0.2
UNTAG	20.6	2.8
UNIIMOG	5.1	2.4
ONUC	–	46.6
UNEF (1956)	–	40.2
MINURCA	1.0	17.8
Total	**647.6**	**1 783.2**

12. Statement VII presents the financial position of UNIKOM. Total expenditures for the 12-month period from 1 July 1997 to 30 June 1998 remained at the same level, at $48.0 million, as in the previous 12-month period.

13. Statement VIII presents the financial position of MINURSO. Total expenditures for the 12-month period from 1 July 1997 to 30 June 1998 increased to $40.9 million from $29.3 million in the previous 12-month period as a result of the expanded activities of the Mission.

14. Statements IX to XII present the financial position of the United Nations peacekeeping operations in the area of the former Yugoslavia. These include UNPF, established in the biennium 1992–1993 along with UNTAES, UNPREDEP and UNMIBH. The total expenditure for the four missions during the 12-month financial period ending 30 June 1998 was $317.8 million, which was $162.7 million less than the $480.5 million reported in the previous 12-month period. This was due to the completion of UNTAES and UNPF, which are now in the liquidation phase. UNTAES was replaced with a much smaller monitoring unit, the United Nations Civilian Police Support Group.

15. Statement XIII presents the financial position of UNOMIG. Total expenditures for the 12-month period from 1 July 1997 to 30 June 1998 increased to $20.9 million from $15.9 million in the previous financial period owing mainly to additional requirements for air support operations.

16. Statement XIV presents the financial position of UNMOT. Total expenditures for the 12-month period from 1 July 1997 to 30 June 1998 amounted to $13.9 million, which more than doubled the $5.7 million reported in the previous 12 months. This was due to the expanded activities of the Mission, with the inclusion of a special programme for assistance for disarmament and demobilization.

17. Statement XV presents the financial position of UNAVEM and MONUA. Expenditures for those missions for the 12-month period ending 30 June 1998 amounted to $170.4 million, which was $131.9 million lower than the $302.3 million reported for the previous 12-month period. The substantial decrease is due to the reduction in the military component owing to the transition from UNAVEM to MONUA, an Observer Mission, as from 1 July 1997.

18. Statement XVI presents the financial position of UNOMIL. Total expenditures for this Mission for the 12-month period from 1 July 1997 to 30 June 1998 amounted to $10.0 million, which is $16.1 million lower than the $26.1 million reported for the previous 12-month period. The decrease was due to the completion of elections in Liberia and the end of the mandate of UNOMIL on 30 September 1997.

19. Statement XVII presents the combined financial position of UNSMIH, UNTMIH and MIPONUH. Total expenditures for those missions for the 12-month period from 1 July 1997 to 30 June 1998 amounted to $29.4 million, which is $17.6 million lower than the $47 million reported in the previous 12-month period. The reduction is due to the completion of elections in Haiti and the further downsizing to a Civilian Police Mission.

20. Statement XVIII presents the financial position of MINURCA. Total expenditures for the period from 15 April to 30 June 1998 amounted to $17.6 million.

C. United Nations Peacekeeping Reserve Fund

21. The United Nations Peacekeeping Reserve Fund (statement XIX) was established by the General Assembly in its resolution 47/217 of 23 December 1992 to serve as a cash flow mechanism to ensure the rapid deployment of peacekeeping operations. In accordance with the resolution, the initial level of the reserve fund was set at $150 million, which comprised

funds transferred from a cumulative surplus of $49.2 million from UNTAG, $18.2 million from UNIIMOG and $82.6 million from retained surplus of the United Nations General Fund. Of the amount authorized for the funding of the Peacekeeping Reserve Fund, $2.2 million from UNTAG, $0.9 million from UNIIMOG and $57.6 million from the United Nations General Fund remain uncollected owing to unavailability of cash.

D. Support accounts for peacekeeping operations

22. Central administrative support to all peacekeeping operations is funded through the support account for peacekeeping operations (statement XX). The support account derives its income from charges to each of the active peacekeeping operations, as decided by the General Assembly. Total expenditures for administrative support to peacekeeping operations, most of which were for staff and other personnel costs, totalled $29.0 million during the 12-month financial period ending 30 June 1998 as compared with $28.1 million during the previous 12-month period.

23. Statement XXI presents the financial position of the United Nations Logistics Base at Brindisi, which was established to receive, inspect, repair, distribute and store surplus assets from closed and/or downsized missions and to assemble and maintain mission start-up kits. Funding for the Logistics Base is derived from allocations from the existing budgets of active peacekeeping operations. During the present financial period, total expenditures for the Logistics Base were $9.5 million.

E. Completed peacekeeping operations

24. Statement XXII presents the financial position of MINUGUA. No expenditure was incurred during the financial period, as the Mission ceased operation in May 1997. The change in fund balance was derived from interest and miscellaneous income and savings on or cancellation of prior period obligations.

25. Statement XXIV presents the financial position of UNAMIR and UNOMUR. As the Mission is in the liquidation phase, the total expenditure for the 12-month period from 1 July 1997 to 30 June 1998 was only $0.2 million.

26. Statement XXV presents the financial position of UNMIH, which completed its mandate on 30 June 1996. The net reduction shown in the fund balance for the period ending 30 June 1998 is due to the return of $8.2 million in credits to Member States, offset by interest and miscellaneous income of $5.3 million.

27. Statement XXVI presents the financial position of ONUMOZ, which is in the liquidation phase. The net reduction shown in the fund balance for the period ending 30 June 1998 is due to prior period adjustments amounting to $2.9 million, offset by interest income and miscellaneous income of $2.5 million, savings from cancellation of prior period obligations of $1.6 million and a return of credits to Member States of $52.3 million.

28. Statement XXVII reflects the changes in the fund balance of UNOSOM, which is in the liquidation phase. A substantial number of liabilities could not be discharged since a number of Member States have not paid their full assessed contributions for this operation. The minor change in the fund balance for the period ending 30 June 1998 resulted from prior period adjustments amounting to $0.6 million, partially offset by interest income and miscellaneous income of $0.5 million and savings on or cancellation of prior period obligations of $0.3 million.

29. Statement XXVIII presents the accounts of UNTAC, which completed most of its activities in November 1993. The former special account for UNAMIC preceded UNTAC, and UNMLT (statement XXIII) followed completion of the main activities of UNTAC. The resulting change in the fund balance for the two statements referred to during the financial period is due mainly to interest and miscellaneous income of $0.2 million, a prior period adjustment of $0.1 million, savings on or cancellation of prior period obligations of $3.2 million and credits returned to Member States of $8.7 million.

30. Statement XXIX reflects activities of ONUSAL. The increase in the fund balance represents interest income earned during the financial period.

31. Statements XXX to XXXIII present the financial positions of UNTAG (statement XXX), UNIIMOG (statement XXXI), the ad hoc account for ONUC (statement XXXII) and the Special Account for UNEF (1956) (statement XXXIII). The ad hoc account for ONUC and the accounts of the Special Account for UNEF remain open because various liabilities cannot be discharged since a number of Member States have not paid their full assessed contributions for those operations.

Annex

Supplementary information

1. The present annex includes supplementary tables and information that the Secretary-General is required to report.

Write-off of losses of cash and receivables

2. In accordance with financial rule 110.14, the Controller, or when required the Secretary-General, after full investigation has approved write-offs for the financial period from 1 January 1997 to 30 June 1998 totalling $272,000 for peacekeeping operations. In each case it was determined in the light of the facts known at the time that: (a) the responsibility for the loss could not be fixed and attached to any official of the United Nations; (b) every effort had been made to collect the amounts due; and (c) further collection efforts would be fruitless.

Write-off of losses of property

3. Property losses at various peacekeeping operations that have been received by the Headquarters Property Survey Board and approved by the Controller amounted to $2.6 million (based on their original costs) for write-off in accordance with financial rule 110.15 during the financial period. Those write-offs brought the recorded balances of the properties to the same levels as those shown in the property records for the actual quantities on hand. The details of the amounts written off were reported to the Board of Auditors in accordance with the provisions of financial rule 110.10 (b).

Chapter II

Report of the Board of Auditors

Summary

The Board of Auditors has audited the United Nations peacekeeping operations at Headquarters, 3 field missions funded from the regular budget, 13 special missions and 4 missions in liquidation. The Board also validated the financial statements for peacekeeping operations with special accounts for the financial period ending 30 June 1998 and conducted a special audit at the request of the General Assembly concerning the application of the new contingent-owned equipment procedures.

The Board's main findings are as follows:

(a) Claims submitted by troop-contributing countries had not been recorded in the accounts. A check revealed that there were no obligation documents in respect of claims valued at $60.3 million;

(b) Total unliquidated obligations of $1.21 billion included $97.4 million that might no longer be valid or might need to be reobligated in the accounts;

(c) Under the new system of wet/dry leasing of contingent-owned equipment, UNPREDEP incurred some $1 million more expenditure in the 18-month period to 30 June 1997 than it would have done had the old system been applied. This was mainly due to the higher generic values agreed upon for items of equipment under the new system;

(d) The Department of Peacekeeping Operations did not liaise sufficiently with the troop-contributing countries in UNPREDEP to help determine equipment requirements;

(e) Of the 42 countries that had contributed troops to missions, 15 had signed a memorandum of understanding and relevant agreements with the Organization, while 27 countries had not concluded such agreements as at October 1998;

(f) Although the aim of reform procedures for determining reimbursement for contingent-owned equipment to Member States is not to result in additional costs to the budgets of peacekeeping missions, its retroactive application had resulted in additional costs to the Organization;

(g) A contractor's performance in providing support services to MONUA was unsatisfactory, and some 50 United Nations staff, at a cost of $300,000 per month, had continued to undertake tasks that should have been performed by the contractor. The contractor failed to provide a performance guarantee bond in the amount of $1.62 million;

(h) Although the contractor for provision of rations to MONUA repeatedly failed to meet standards in terms of quantity and quality of food and made unauthorized commodity substitutions, his contract was extended on four occasions. The contract did not contain a clause to hold the contractor accountable for poor performance, and the performance bond in the amount of $343,745 was not invoked.

The Board's main recommendations are:

(a) Since the peacekeeping financial statements are intended to recognize expenditure on an accrual basis, the Administration should ensure that all expenditure related to a financial period is captured in the accounts for more accurate financial reporting;

(b) The Administration should review the $97.4 million in unliquidated obligations to determine its validity and take appropriate action. The Administration should ensure that certifying officers carry out periodic reviews to confirm that only valid unliquidated obligations are retained in the accounts;

(c) The Department of Peacekeeping Operations should review the generic fair market value of major equipment as set out in the policies and procedures manual on contingent-owned equipment and should submit to the General Assembly proposals for revision as appropriate;

(d) The Administration should conclude memoranda of understanding with the remaining 27 troop-contributing countries in order to comply with established procedures;

(e) The Administration should review the retroactive application of the new methodology for the reimbursement of contingent-owned equipment and submit proposals to the General Assembly for limiting the additional costs likely to be incurred;

(f) The Field Administration and Logistics Division should resolve expeditiously the outstanding issues pertaining to the contract for support services at MONUA and obtain urgently the performance bond from the service contractor in order to ensure an adequate standard of support services;

(g) The Field Administration and Logistics Division should rebid the MONUA rations contract in order to obtain competitive rates, and the contract should contain a clause to hold the contractor accountable for poor performance. Also, the Administration should make deductions for unauthorized substitutions and shortfalls in the quality and quantity of the food supplied.

A list of the Board's recommendations is contained in paragraph 10.

A. Introduction

1. The Board of Auditors has audited the financial statements of the United Nations peacekeeping operations for the period from 1 July 1997 to 30 June 1998 in accordance with General Assembly resolutions 74 (I) of 7 December 1946, 47/211 of 23 December 1992 and 49/233 A of 23 December 1994. The audit has been conducted in conformity with article XII of the Financial Regulations and Rules of the United Nations and the annex thereto and the Common Auditing Standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Those standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the expenditures recorded in the financial statements for the period from 1 July 1997 to 30 June 1998 had been incurred for the purposes approved by the governing bodies; whether income and expenditures were properly classified and recorded in accordance with the Financial Regulations and Rules; and whether the financial statements of peacekeeping operations presented fairly the financial position as at 30 June 1998. The audit included a general review of financial systems and internal controls and a test examination of accounting records and other supporting evidence to the extent the Board considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its expanded audit coverage both at Headquarters and at the field missions. The audit was carried out at United Nations Headquarters and at the peacekeeping and observer missions listed in annex I to the present report of the Board, as well as at the United Nations Logistics Base in Brindisi, Italy.

4. In addition to the audit of the accounts and financial transactions, the Board carried out reviews under regulation 12.5 of the financial procedures, the internal financial controls and, in general, the administration and management of peacekeeping operations. The General Assembly requested the Board to follow up on previous recommendations and to report to it accordingly. The present report also addresses, in paragraphs 47 to 79, a special request contained in General Assembly resolution 52/245 of 26 June 1998 concerning the application of the new contingent-owned equipment procedures.

5. The Board continued its practice of reporting the results of specific audits in management letters containing detailed observations and recommendations to the Administration.

6. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, the views of which, where appropriate, have been reflected in the report.

7. The Board's main recommendations are reported in paragraph 10. The detailed findings are discussed in paragraphs 12 to 143.

1. Previous recommendations not fully implemented

8. In accordance with section A, paragraph 7, of General Assembly resolution 51/225 of 3 April 1997, the Board has highlighted separately below those recommendations that were made in the Board's report relating to the biennium 1994–1995[1] and that have not been fully implemented by the Administration. They are as follows:

(a) Standard procedures for the transfer and acknowledgement of assets should be developed to provide a prompt and adequate response and to improve transparency in the disposition of assets (recommendation 10 (d));

The comments of the Administration and the Board are included in the relevant sections of the present report.

(b) When a Government is unable to provide suitable accommodation free of charge in accordance with the status-of-forces agreement, the mission should seek the Government's assistance in securing commercial premises at a reasonable and fair rent (recommendation 10 (e));

The Administration informed the Board that a draft revised model status-of-forces agreement, which has taken into account the recommendations of the Board, was circulated for comments in November 1998 and that a revised draft would be submitted to the General Assembly for approval at its fifty-third session. The Administration also informed the Board that to secure commercial premises at a reasonable rate, the peacekeeping missions approach the respective Governments for assistance. However, participation in the negotiation of commercial arrangement by Governments is limited, if not impossible. The Board acknowledges that some action has been taken in this area and will keep the matter under review.

9. In accordance with General Assembly resolution 48/216 B of 23 December 1993, the Board also reviewed the measures taken by the Administration to implement the recommendations made in its report for the financial period ending 30 June 1997. Details of the action taken and the comments of the Board are set out in annex II to the present report. In that regard, the Board took note of the Administration's comment that in the area of procurement planning, it estimated that implementation of the Board's recommendations would achieve savings of at least $18 million in the biennium 1998–1999.

2. Main recommendations

10. The Board's main recommendations are:

(a) Since the peacekeeping financial statements are intended to recognize expenditure on an accrual basis, the Administration should ensure that all expenditure relating to a financial period is captured in the accounts for more accurate financial reporting (para. 16);

(b) The Administration should review $97.4 million in unliquidated obligations to determine its validity and take appropriate action. The Administration should ensure that certifying officers carry out periodic reviews to confirm that only valid unliquidated obligations are retained in the accounts (para. 26);

(c) The Administration should carry out expeditious reconciliation of entries rejected by the Integrated Management Information System (IMIS) to ensure prompt and proper adjustment. Payments against the current year's appropriation should not be applied to liquidate prior period obligations (para. 31);

(d) The Department of Peacekeeping Operations should review the generic fair market value of major equipment as set out in the United Nations Manual on Policies and Procedures concerning Reimbursement and Control of Contingent-owned Equipment of Troop-contributing Countries participating in Peacekeeping Missions, and submit to the General Assembly proposals for revision as appropriate (para. 57);

(e) The Department of Peacekeeping Operations should undertake on-site reviews in peacekeeping missions to validate contingent-owned equipment requirements (para. 62);

(f) The Administration should conclude memoranda of understanding with the 27 troop-contributing countries in order to comply with established procedures (para. 70);

(g) The Administration should review the retroactive application of the new methodology for reimbursement of contingent-owned equipment and submit proposals to the General Assembly for limiting the additional costs likely to be incurred (para. 79);

(h) The Department of Peacekeeping Operations and UNDOF should ensure that the recruitment procedures established by the Office of Human Resources Management are complied with (para. 94);

(i) The Field Administration and Logistics Division should resolve expeditiously the outstanding issues pertaining to the contract for support services at MONUA and obtain urgently the performance bond from the service contractor in order to ensure an adequate standard of support services (para. 101);

(j) The Field Administration and Logistics Division should rebid the MONUA rations contract in order to obtain competitive rates, and the contract should contain a clause to hold the contractor accountable for poor performance. Also, the Administration should make deductions for unauthorized substitutions and shortfalls in quality and quantity of the food supplied (para. 109).

11. The Board's other recommendations are shown in paragraphs 12 (a) and (b), 24, 29, 33, 39, 43, 82, 85, 90, 101, 104, 117, 120, 128, 129, 134, 137 and 140.

B. Financial issues

1. United Nations accounting standards

12. The Board assessed the extent to which financial statements of peacekeeping operations for the year ending 30 June 1998 conformed to the United Nations accounting standards. The review indicated that the presentation of the financial statements was generally consistent with the standards, but further work was needed to bring the peacekeeping financial statements fully in line with those standards. The main areas for attention are:

(a) Statement of appropriations. A summary statement/schedule of peacekeeping appropriations showing appropriations, expenditure and balances has not been included in the financial statements. **The Board recommends that the summary statement/schedule of appropriations be included in the financial statements in accordance with paragraph 7 of the United Nations accounting standards;**

(b) Significant accounting policies. The significant accounting policies disclosed in note 2 to the financial statements omit the definition of expenditure. The Administration will consider including a separate note on expenditure in future financial statements. **The Board recommends that the note to the financial statements on significant accounting policies include the definition of expenditure.**

2. Liabilities not recognized in the accounts

13. The Board noted that some claims submitted by troop-contributing countries had not been recorded in the accounts. In some cases, claims did not have letters of assist; in other cases, letters of assist were issued but the corresponding obligations were not set up in the accounts; and in further cases, existing funds were inadequate to settle the claims.

14. The total liabilities of such claims can be accurately determined only if the review and verification processes of troop-contributing country claims are expedited and matched with the unliquidated obligations in the accounts. Examples of such claims include the following:

(a) Troop-contributing country claims for UNOSOM and UNPROFOR amounting to $19.4 million had not been recorded in the accounts because of lack of obligations. In addition, the Field Administration and Logistics Division was assessing claims of $37.6 million for which no obligations had been issued;

(b) A claim in respect of helicopter services provided to UNOSOM amounting to $1.4 million was not supported by a letter of assist. Similarly, a claim amounting to $1.9 million relating to UNAMIR made in October 1997 was reviewed and approved by the Field Administration and Logistics Division in March 1998. Neither of those claims had been paid by the Office of Programme Planning, Budget and Accounts because the funds had not been reserved.

15. The Office of Programme Planning, Budget and Accounts informed the Board that it intended to submit a proposal to the General Assembly on the funding requirements for the pending troop-contributing country claims for which no funds had been reserved by the Department of Peacekeeping Operations in the accounts of the missions concerned.

16. **Since the peacekeeping financial statements are intended to recognize expenditure on an accrual basis, the Board recommends that the Administration ensure that all expenditure relating to a financial period is captured in the accounts for more accurate financial reporting.**

3. Assessed contributions unpaid

17. The Board noted that of the total current assets of $2,751 million as at 30 June 1998 (statement II), $1,807 million (66 per cent) represented assessed contributions receivable from Member States. Included in the total assessed contributions unpaid of $1,807 million is an amount of $227.6 million (13 per cent) which, for the various reasons stated in note 4 to the financial statements, certain Member States have declined to pay. Of the $227.6 million, $67.5 million had been transferred into the special account for unpaid assessed contributions in accordance with the relevant General Assembly resolutions adopted during the past 16 years, while another $108.8 million in respect of two completed missions (ONUC and UNEF 1956) had remained in assessed contributions receivable accounts for periods ranging from 31 to 34 years.

18. The Board qualified its opinion on this issue in respect of financial periods ending 31 December 1993, 31 December 1995 and 30 June 1997 because it considered that the inclusion of these long-outstanding amounts in assessed contributions receivable was contrary to the prudence concept that governs the presentation of financial statements. The Board also considers that such treatment distorts the computation of the liquidity position of the peacekeeping operations.

19. The United Nations accounting standards are not prescriptive in the valuation of assessed contributions that Member States have declared their intention not to pay. The Board notes that the Consultative Committee on Administrative Questions (Financial and

Budgetary Questions) will be reviewing the relevant accounting standard in 1999, and shares the view of the Advisory Committee on Administrative and Budgetary Questions that the review should be accorded priority for more accurate financial reporting. The Board has decided not to qualify its audit opinion on this matter pending the outcome of this review.

4. United Nations Peacekeeping Reserve Fund

20. The United Nations Peacekeeping Reserve Fund was established by the General Assembly in its resolution 47/217 of 23 December 1992 as a cash flow mechanism to ensure a rapid response to the needs of peacekeeping operations, especially in the start-up phases of new or expanded missions, pending the collection of assessed contributions. The level of the Fund was set at $150 million, to be funded by the United Nations General Fund ($82.6 million), UNTAG ($49.2 million) and UNIIMOG ($18.2 million).

21. As at 30 June 1998, the two completed missions (UNTAG and UNIIMOG) and the United Nations General Fund owed $3.14 million and $57.6 million respectively to the Fund. Those amounts have been outstanding for more than three years. The level of the Fund stood at $105.5 million as at 30 June 1998 after taking account of interest earned of $12.9 million during the period from 1996 to 1998.

22. The Administration informed the Board that as a result of the delay by some Member States in paying their assessed contributions to the United Nations, the General Fund was not yet in a position to transfer the amount of $57.6 million to the Fund as required by resolution 47/217.

23. The Board noted that the Fund had advanced a total of $2.5 million for the start-up costs of MINURCA during the financial year ending 30 June 1998. Because of an error in processing the final instalment of the advance of $635,000 made in July 1998, the amount was incorrectly reflected in the financial statement of the Fund (statement XIX) as at 30 June 1998 as accounts payable and accounts receivable. The effect of this incorrect treatment is that accounts payable and accounts receivable of the Fund were overstated by $635,000 in each case.

24. Since this transaction relates to the financial period ending 30 June 1999, **the Board recommends that the Administration take action to correctly reflect the advance of $635,000 in the United Nations Peacekeeping Reserve Fund.**

5. Unliquidated obligations

25. The financial statements showed unliquidated obligations of $1.2 billion as at 30 June 1998. In order to provide assurance that unliquidated obligations are valid, certifying officers are required to carry out periodic reviews of unliquidated obligations. The Board noted that such reviews had not always been carried out thoroughly. The Board tested obligations raised in 1996 by three missions (UNAVEM, UNIFIL and UNPF) totalling $421.2 million, which remained unliquidated as at 30 June 1998. This revealed that $97.4 million might no longer be valid or might need to be reobligated in the accounts.

26. **The Board recommends that the Administration review the $97.4 million in unliquidated obligations to determine their validity and take appropriate action. The Board also recommends that the Administration ensure that certifying officers carry out periodic reviews to confirm that only valid unliquidated obligations are retained in the accounts.**

27. According to the Administration, some of the unliquidated obligations were retained beyond the period of lapse owing to the backlog in the processing of inter-office vouchers, especially for UNPF, which has approximately $75 million in such obligations. In addition,

there were items in litigation and unresolved vendor problems in field offices that required retention of some of the obligations. The Administration informed the Board that it was addressing the processing of the backlog of inter-office vouchers as well as the review of unliquidated obligations for appropriate adjustments to be effected, where necessary, in the current financial year's account for peacekeeping operations.

28. The Board reviewed several specific cases in UNPF where the obligations remained unliquidated. In February and March 1993, a company submitted invoices for a total of 159,214 deutsche marks (approximately $91,000). The invoices remained unpaid for five years, originally because of a discrepancy of DM 122 in the goods delivered, and then as a result of the mission's having lost the original invoices. The company finally sought the intervention of its country's permanent mission to the United Nations in order to obtain payment. While noting that the amount has been paid, the Board is concerned at the extended time taken to settle the amount.

6. Inter-office vouchers

29. Based on a test review of inter-office vouchers in some field missions, the Board noted that as at 31 December 1997, the UNPF accounts included $51.9 million in uncleared inter-office vouchers. These related to the costs incurred by UNPF in establishing and administering the new missions in the area of the former Yugoslavia - - UNTAES, UNMIBH and UNPREDEP — and were mostly incurred during the first six months of 1996. UNPF awaited the authority of the Office of Programme Planning, Budget and Accounts to clear those amounts. **The Board recommends that the Department of Peacekeeping Operations, in consultation with the Office of Programme Planning, Budget and Accounts, make every effort to clear all inter-office voucher amounts that have been outstanding since 1996.**

7. Incorrect reporting of expenditure

30. In MONUA, of the amount of $12.23 million shown as expenditure on rations for military contingents as at 30 June 1998, $2.49 million (20 per cent) related to previous accounting periods, where payments were rejected by IMIS initially on account of insufficient obligations. The Board considered that the expenditure in the financial statement was overstated by a total of $2.49 million. Similarly, of the amount of $14.33 million representing hire/charter costs for fixed-wing aircraft, $0.98 million (7 per cent) was improperly charged to the unliquidated obligations of the previous financial period.

31. **The Board recommends that the Administration carry out expeditious reconciliation of entries rejected by IMIS to ensure prompt and proper adjustment. Payments against the current year's appropriation should not be applied to liquidate prior period obligations.**

32. The Board's audit of UNOMIG disclosed a cash shortage of $35,642. UNOMIG informed the Board that the cashier's safe containing this amount had been stolen in May 1998. The Board noted that the cashier's office was not adequately protected and that the safe had also not been adequately secured to prevent such theft. A further control weakness was that the daily cash balance had not been returned by the cashier to be kept in the mission's vault. Although the case was investigated by UNOMIG, the perpetrators could not be identified, and the safe and its contents had not been found as at October 1998. The Mission has reported the case to United Nations Headquarters for further action.

33. The Board noted that the stolen cash ($35,642) was classified as a deferred charge in the UNOMIG financial statements for the period ending 30 June 1998. Since deferred charges should comprise only expenditure items that are not properly chargeable in the

current financial period, **the Board recommends that a defalcation account be opened for such stolen cash until final determination of recovery or write-off is made.**

34. The Administration is reviewing an appropriate procedure for the treatment of such transactions in the financial statement.

8. Write-off of losses of cash, receivables and property

35. In accordance with financial rule 111.10 (b), the Board was provided with details of losses of cash, stores and other assets written off during the financial year ending 30 June 1998. A total of $271,982 was written off in the financial statements for losses of cash, accounts receivable and notes receivable in compliance with financial rule 110.14 (a), as compared with $3,938,771 written off during the 18-month period from 1 January 1996 to 30 June 1997.

36. In addition, property losses amounting to $2,575,652 resulting from damage (total loss by vehicle accident, fire, storm and other causes) and shortage (including inventory discrepancy, loss and theft) covering 13 missions were written off in accordance with financial rule 110.15 during the financial year ending 30 June 1998, as reported by the Headquarters Property Survey Board (see table below).

Property losses written off for the period from 1 July 1997 to 30 June 1998
(United States dollars)

	Value
MINURSO	11 368
UNAMIR	57 076
UNAVEM	1 705
UNDOF	14 655
UNFICYP	14 844
UNIFIL	689 018
UNIKOM	71 956
UNMIBH	18 007
UNMOT	35 731
UNOMIL	24 135
UNOSOM	52 788
UNPF	1 420 640
UNSMIH	163 729
Total	**2 575 652**

37. The Board, in its report for the 18-month period ending 30 June 1997, expressed concern at the delays in finalizing the write-off of cases at Headquarters and the consequent effects of disclosing write-offs in the financial statements. The Board, during its current audit, noted that there had been no significant improvement in this area and was concerned to note that amounts written off at the field mission level under delegated authority had not been reported to the Board. For example, the Board found that UNPF had written off amounts totalling $24.7 million, but this had not been reported to the Board. The Administration recognized that there was a gap in the reporting of amounts written off at the field mission level and it was therefore reviewing the reporting arrangements.

38. In the present report, under the heading "Management issues" below, the Board has expressed concern about the delay in processing Property Survey Board cases, which could significantly affect the value of the non-expendable property disclosed in note 9 to the financial statements.

39. **The Board recommends that the Administration additionally disclose in note 9 to the financial statements the value of non-expendable property awaiting write-off action.**

9. Ex gratia payments

40. The Administration informed the Board that no ex gratia payments were made during the year ending 30 June 1998.

C. Management issues

1. Procurement

41. During the period from 1 July 1997 to 30 June 1998, the Procurement Division issued 494 purchase orders with a total value of $134.3 million in respect of the top 25 commodities and services purchased for peacekeeping operations, compared with $83.5 million (430 purchase orders) for the year ending 30 June 1997, representing an increase of 61 per cent. This upward trend is mainly due to the increase in expenditures on airline management and operation (59 per cent), motor vehicles, parts and accessories (434 per cent) and logistical support (1,057 per cent).

42. The Board noted that there had been a reduction in the number of active peacekeeping operations. Between the 12-month periods ending 30 June 1997 and 30 June 1998, reductions were projected in the operational strength of troops (33 per cent), military observers and civilian police (15 per cent), internationally and locally recruited staff (17 per cent) and operational strength in the field (22 per cent).

43. **The Board recommends that the Administration monitor closely the increasing level of procurement for peacekeeping operations, particularly in the areas of airline management and operation, motor vehicles, parts and accessories and logistical support, in view of the general decline in the level of peacekeeping operations.**

44. The Administration informed the Board that the Field Administration and Logistics Division and the Procurement Division had striven to develop a more coherent and responsible policy of monitoring the level of procurement for peacekeeping operations, particularly in the areas of air transport operations, vehicles and spare parts acquisition and logistical capability contracts. The Administration added that comprehensive programmes existed for each of those areas and that they were currently being further refined for incorporation into the field mission logistics system, which would be fully year 2000 compliant.

45. Cases of *ex post facto* submissions to the Headquarters Committee on Contracts, which numbered 111 with a total contract value of $81.7 million during the previous 18-month financial period, from 1 January 1996 to 30 June 1997, were reduced to 5 with a contract value of $3.5 million during the 12-month financial period ending 30 June 1998. The number of partial *ex post facto* cases, which numbered 123 with a value of $106.7 million during the 18-month financial period ending 30 June 1997, was reduced to 6 with a contract value of $4.3 million for the financial period ending 30 June 1998.

46. The Administration attributed the substantial reductions in the number and value of *ex post facto* and partial *ex post facto* cases handled by the Headquarters Committee on Contracts during the period under review mainly to the revised thresholds for the delegation of procurement authority and the increased procurement planning of the Procurement Division as well as the rigorous enforcement of the ex *post facto* rules by the Administration. The Board is pleased to note significant reductions in *ex post facto* considerations of contracts.

2. Contingent-owned equipment

47. In its report on the financing of UNPREDEP (A/52/860/Add.1), the Advisory Committee on Administrative and Budgetary Questions had noted that the projected cost of reimbursement for contingent-owned equipment for the period had increased from $6,807,600 under the old reimbursement system to more than double that amount under the new system. The Advisory Committee expressed concern that the process for negotiating the amount of reimbursement with the troop-contributing countries was flawed and that the United Nations might have been committed to paying for more equipment than was needed.

48. In accordance with General Assembly resolution 52/245, the Board carried out an audit of the reimbursement to Member States for the use of their equipment. The Board's findings are discussed below.

49. The United Nations policy is to reimburse countries for troops and equipment provided for peacekeeping operations. Until 1997, countries were reimbursed using a system based on the actual depreciated cost of the assets brought in by the troops and any consumables that they used. The troop-contributing country could provide additional support, such as spare parts for equipment, provided an agreement was made with the United Nations. Such agreements were formalized in letters of assist, against which the country made claims for reimbursement to the United Nations. The mission prepared surveys of the equipment upon arrival and departure of the troops, and those documents provided the basis for negotiation of the amount of reimbursement following the end of a country's involvement in a mission.

50. The process was generally regarded as cumbersome, expensive and difficult to manage, and following extensive discussions among Member States, the General Assembly introduced a new reimbursement methodology effective July 1996. That methodology involved the concept of "wet lease" (reimbursement for maintenance and lease of contingent-owned equipment and "dry lease" (reimbursement for lease of contingent-owned equipment), whereby the United Nations paid a standard amount for each type of asset, regardless of the original or depreciated cost of the item. The wet-lease system also eliminated the need for letters of assist, as countries were deemed to have entered into a contract to provide a service, rather than goods, to the United Nations. It was the country's responsibility, therefore, to ensure that the equipment was properly maintained and fully operational. Before the country deployed troops, it and the United Nations were required to agree on what equipment and services would be provided, and this would be set out in a formal memorandum of understanding.

(a) Contingent-owned equipment in the United Nations Preventive Deployment Force

51. Following is a summary of various cost estimates for contingent-owned equipment in UNPREDEP during the 18-month period ending 30 June 1997:

Original estimate (old system): $6,807,600

Corrected estimate (old system): $7,358,160

Estimate of final cost (old system): $13,300,000

Estimate of final cost (new system): $14,300,000

Increase (new system compared with old): $1,000,000

These various changes in cost estimates are discussed below.

52. In his report of 16 January 1998 (A/52/768), the Secretary-General quoted the original budget figure for reimbursement of contingent-owned equipment as $6,807,600. This figure was calculated by the Department of Peacekeeping Operations as 10 per cent per annum of the in-survey value of $45,538,400, applied over the 18-month period of the budget. The figure of 10 per cent was an approximation used by the Department for budgeting contingent-owned equipment costs under the old reimbursement system. Since the publication of the report, the Field Administration and Logistics Division discovered that it had failed to include some assets held by the contingent of one Member State and that the correct value of total assets was $49,054,400. Applying the 10 per cent estimate, the budgeted cost of reimbursement under the old system would have been $7,358,160 over the 18-month period, rather than $6,807,600.

53. Had the mission actually applied the old system of contingent-owned equipment reimbursement, the Field Administration and Logistics Division estimates that the actual cost would have been $13.3 million, significantly in excess of the budgeted figure of $6.8 million, or of the corrected budget figure of $7.4 million. The Division's estimate of actual cost under the old system, based on the schedule of rates included in the manual on policies and procedures concerning contingent-owned equipment, included $11.8 million for depreciated cost and some $1.5 million in consumables that the Division estimates would have been payable under letters of assist.

54. The Field Administration and Logistics Division estimates that under the new system of reimbursement of contingent-owned equipment, the total expenditure on equipment will be approximately $12.7 million and the cost of self-sustainment will be approximately $3.1 million. Against this total of $15.8 million, the mission's initial verification of the equipment supplied by the battalion referred to above indicated that errors in classifying equipment would reduce costs by some $1.5 million for the period. Accordingly, the Division's current total estimate for the cost of reimbursement for contingent-owned equipment for the period from 1 January 1996 to 30 June 1997 under the new system is approximately $14.3 million.

Reasons for increase

55. The Board analysed why the new reimbursement arrangements at UNPREDEP were likely to cost a total of $14.3 million, representing some $1 million more than would have been charged under the old system. The Board noted that the increase related to vehicles, which formed some 97.5 per cent of all the major equipment under UNPREDEP wet-lease agreements. Under the old system, the depreciated cost of vehicles was approximately $9.4 million, while under the new wet-lease arrangements the cost is likely to rise to $11.2 million, an increase of $1.8 million.

56. The Board selected 20 lines of vehicle equipment held by the battalions and compared the in-survey value and the generic fair market value established for the wet and dry leases. For 14 of the lines, the generic fair market value was above the in-survey value, and it was below for only 6. The most significant difference between in-survey values and generic fair market values was for armoured personnel carriers. The contingent from one Member State had 28 armoured personnel carriers with an in-survey value of $235,900 each. The contingent from another Member State had 33 armoured personnel carriers with an in-survey value of $239,489 each. The generic fair market value of such carriers under wet and dry leases is $554,313. Under the wet- and dry-lease system, the armoured personnel carriers have been valued at some $19.3 million more than under the old reimbursement system. The Board translated those values into the amounts that would be paid under both systems. For the 18-month period ending 30 June 1997 the United Nations will pay some $1.4 million more for armoured personnel carriers under the wet-lease system than under the old system.

57. While other items, such as utility trucks, also have large differences between the generic fair market value and the in-survey value, armoured personnel carriers have the most material impact because of the difference in values and the number of carriers. **The Board recommends, therefore, that the Department of Peacekeeping Operations review the generic fair market value of major equipment as set out in the policies and procedures manual on contingent-owned equipment and submit to the General Assembly proposals for revision, as appropriate.**

Negotiation of memoranda of understanding

58. Following the decision of the General Assembly in its resolution 50/222 of 11 April 1996 to adopt the new reimbursement system, countries providing troops to existing missions were given the option of obtaining reimbursement under the old or new system. Further, in accordance with chapter 2.2.7 of the policies and procedures manual on contingent-owned equipment, troop-contributing countries and the United Nations are required to conclude and sign a memorandum of understanding before troops are deployed to a peacekeeping mission. For countries that opted retroactively for reimbursement under the new system, it was clearly not possible to carry out any negotiations prior to the arrival of troops in the missions as required under the new reimbursement system. For UNPF, UNTAES and UNPREDEP, the United Nations was obliged, therefore, to use the in-survey reports prepared under the old reimbursement system as the starting point for negotiating the memoranda of understanding.

59. UNPREDEP forwarded in-survey reports for all battalions to the Field Administration and Logistics Division on 5 December 1996. However, in the case of one Member State it was not until May 1997 that the Department of Peacekeeping Operations submitted a draft memorandum of understanding, which was not finally agreed upon and signed until November 1998. In the case of a second Member State, a draft memorandum was not submitted until August 1997 and was signed only in June 1998.

60. During 1997, the responsibility for preparing the draft memorandum of understanding and the major equipment list rested with the Mission Planning Service of the Department of Peacekeeping Operations. The Service was staffed almost exclusively with gratis military personnel, and those officers dealt with the contingent-owned equipment of UNPREDEP. Of the four officers who were involved in preparing the mission's memorandum, one came from a country that had contributed troops to the mission. In the case of the Field Administration and Logistics Division of the Department of Peacekeeping Operations, gratis military personnel were also involved in the process of putting together the memorandum, although they were usually supervised by United Nations staff members. The Logistics and

Communications Service of the Field Administration and Logistics Division prepared the self-sustainment element of the memorandum. The two officers directly responsible for its preparation were gratis military personnel, both of whom came from countries that had contributed troops to UNPREDEP. The Finance Management and Support Service of the Field Administration and Logistics Division was responsible for providing advice on the budgetary implications of the memorandum and for conducting some of the negotiations with troop-contributing countries. The officers with primary responsibility for carrying out those tasks were a gratis military officer and a secondee from a Member State.

61. In November 1997 the Department of Peacekeeping Operations designated the Finance Management and Support Service as the lead section responsible for coordinating the preparation of all memoranda of understanding. In the Finance Management and Support Service, the officers responsible for the memoranda have already been replaced with United Nations staff members, but gratis military personnel continue to have this responsibility in the Logistics and Communications Service and the Mission Planning Service. The Department plans to replace most of the gratis military personnel with newly employed United Nations staff, subject to budgetary considerations.

62. The negotiation process was managed by the Department of Peacekeeping Operations in New York, and the mission's role was limited to providing the in-survey data and commenting on the various drafts of the memorandum produced by the Department. Gratis military personnel from the Mission Planning Service had visited the mission at various times to discuss operations and therefore had some knowledge of the terrain and military conditions prevailing in the mission area. Neither those officers nor officials from the Field Administration and Logistics Division visited UNPREDEP to review the levels and use of contingent-owned equipment or to discuss detailed equipment requirements with the Force Commander or contingents. The Board considers that the Department should have liaised more closely with the troop-contributing countries in UNPREDEP to help determine the detailed equipment requirements. **The Board recommends that, in future, the Department of Peacekeeping Operations undertake on-site reviews in peacekeeping missions to validate contingent-owned equipment requirements.**

Terms of memoranda of understanding

63. Two Member States used a mission factor of 0.3 per cent. This represented an addition to the reimbursement that reflected the difficult terrain within the mission area. Mission factors can be up to 5 per cent, and the contingents within UNPREDEP were concerned that the 0.3 per cent being proposed was not sufficient. Following an internal review, the mission recommended, in January 1998, that the Department of Peacekeeping Operations increase the mission factor to 1.5 per cent. The Mission Planning Service conducted its own review, using its knowledge of the mission, and revised the factor down to 1.0 per cent in May 1998. This was approved by the Field Administration and Logistics Division in May 1998. However, the Board noted that although memoranda of understanding were signed in mid-June and July, they still contained the 0.3 per cent mission factor rather than the revised rate of 1.0 per cent authorized in May 1998. The Department of Peacekeeping Operations informed the Board that both Member States had agreed to accept the revised mission factor retroactively, and that the new factor had been properly included in the memorandum of understanding signed by a third Member State in November 1998.

64. For UNPREDEP, as for other missions, the composition of the military force was defined by the operational plan produced by the mission's Force Commander. This plan, along with initial estimates for troops and equipment, was reviewed by the Mission Planning Service and the Field Administration and Logistics Division. Both sections used some

objective analysis to undertake a high-level review of equipment requests, such as examination of the ratio of troops to vehicles, but relied mainly on military knowledge and an understanding of the mission environment.

65. UNPREDEP was established with a complement of 1,050 troops. This was reduced to 750 troops by the Security Council in its resolution 1110 (1997) of 28 May 1997 by reducing contingents of two Member States by 150 troops each. The contingents responded to the troop reduction in different ways. One repatriated a large quantity of equipment, including 15 of its 28 armoured personnel carriers, 45 per cent of its utility trucks and 21 per cent of its utility jeeps, while the other did not repatriate any equipment as a result of the reduction in troops. The Board is concerned that the United Nations might be liable to pay for equipment that was not needed during this reduced phase of the mission. The Department of Peacekeeping Operations informed the Board that in December 1997 it had carried out a major review of equipment requirements for the contingent that had not repatriated equipment, and that this was reflected in the memorandum of understanding finally agreed upon in November 1998; in addition, the Department was continuing negotiations on equipment levels for this contingent.

66. As a result of the political and military difficulties in Kosovo, the United Nations is preparing to increase the number of troops in UNPREDEP to 1,050. It is anticipated that the Nordic countries will provide the additional troops. The new mandate started on 1 September 1998, and the additional troops and equipment were expected to arrive in early October 1998.

67. The Board underlines the importance of reviewing contingent-owned equipment requirements whenever there is a significant change in troop complement.

(b) Contingent-owned equipment in other missions

Conclusion of memoranda of understanding prior to deployment of troops

68. The General Assembly, in its resolution 51/218 E of 17 June 1997, offered troop-contributing countries that had contingents deployed to existing peacekeeping operations prior to the approval of the new methodology the option to apply the new procedures for reimbursement. The Board noted that 42 countries that had contributed troops to seven completed missions and four active missions had expressed the intention to apply retroactively the new methodology for contingent-owned equipment. Of the 42 troop-contributing countries, 8 had signed memoranda of understanding with the Organization, and 7 countries that had contributed troops to the closed UNPF mission had signed agreements endorsing their estimated reimbursements under the new methodology. The remaining 27 troop-contributing countries had not signed memoranda of understanding with the Organization to enable the reimbursement claims to be processed under the new methodology. Despite the non-conclusion of an agreement with 27 troop-contributing countries, the total amounts claimed by all 42 countries were estimated at some $643 million for major equipment under the wet- or dry-lease arrangement and self-sustainment.

69. The Administration explained that because of operational exigencies, most troop-contributing countries were unable to conclude the relevant memoranda of understanding before troops were deployed. The Administration added that it was in the process of negotiating and securing agreements with countries that have selected reimbursement under the new procedures. However, the Administration considered that the reduction and phase-out of the gratis military officers without a concomitant replacement by civilian staff has affected the timetable for the completion of the backlog of such claims.

70. Since the purpose of memoranda of understanding is to establish the administrative, logistical and financial terms and conditions that govern the contribution of personnel, equipment and services provided by Governments in support of the United Nations peacekeeping missions, **the Board recommends that the Administration conclude memoranda of understanding with the remaining 27 troop-contributing countries in order to comply with established procedures.**

Reimbursement under the new and old systems

71. The Board shares the view of the Secretary-General (see A/50/807) that reform of the procedures for determining reimbursement for contingent-owned equipment to Member States should not result in additional cost to the budgets of peacekeeping missions. The Organization expected that the introduction of the new methodology would generate savings as a result of a reduction in personnel in the administrative and procurement sections of the missions.

72. The Board's review of the application of the new contingent-owned equipment procedures for determining reimbursement revealed that the concurrent and retroactive applications of the new methodology had resulted in additional financial implications to the Organization. As an illustration, under the old methodology, reimbursements totalling $19,782,939 were agreed upon for contingent-owned equipment in respect of nine troop-contributing countries in ONUMOZ, representing 10.4 per cent of the annual average of the total in-survey value of $116,151,916. Also under the old system, reimbursements totalling $70,482,779 were agreed upon for contingent-owned equipment in respect of 21 troop-contributing countries to UNTAC, representing 12.5 per cent of the annual average total in-survey value of $373,027,462. The cost comparisons prepared by the Claims and Information Management Section of the Field Administration and Logistics Division of the new and the old procedures for nine troop-contributing countries that participated in UNTAES and that opted to be reimbursed under the new methodology revealed that the estimated total annual reimbursement under the new contingent-owned equipment procedures was $55,842,546. This represented 19.8 per cent of the contingent-owned equipment, valued at $282,742,346. The amount of $55,842,546 is almost twice the level of the budgetary funding value under the old methodology. The estimated annual reimbursement computed for those nine countries under the old methodology totalled $35,342,793, or 12.5 per cent of the value of contingent-owned equipment.

73. As further evidence of the increased reimbursement requirements under the retroactive application of the new contingent-owned equipment methodology, the Board compared estimated costs prepared by the Claims and Information Management Section for reimbursement of contingent-owned equipment under the old and new methodologies for contributions from one Member State to UNOSOM and ONUMOZ, whose mandates terminated before 1 July 1996. The comparison disclosed that estimated contingent-owned equipment reimbursement payments under the old methodology totalled $19,125,772 for UNOSOM and $6,843,691 for ONUMOZ. Under the new contingent-owned equipment arrangements, estimated reimbursements due to the Member State referred to above were $31,738,308 for UNOSOM and $11,887,573 for ONUMOZ, representing increases of $12,612,536 (66 per cent) and $5,043,882 (74 per cent) respectively.

74. The Administration explained that in order to achieve an accurate comparison between the two systems, all relevant information must be gathered and as many claims as possible must be processed. The Administration indicated that once those actions were completed it would recalculate and confirm rates of reimbursement for all missions; an average of those rates might provide a more accurate indication of the cost of the retroactive use of the new

procedure. Furthermore, the Administration informed the Board that a true cost comparison of the two reimbursement methodologies could not be conducted using retroactive financial information because some of the anticipated total overhead savings resulting from reduced infrastructure support were not included when the new procedures were applied retroactively.

75. Requests from the Field Administration and Logistics Division for redeployment of funds to UNTAES for the closing of accounts for the financial year ending 30 June 1997 also revealed that contingent-owned equipment reimbursement requirements budgeted at $29,146,700 for the period from 15 January 1996 to 30 June 1997 under the old methodology increased to $70,547,800 with the retroactive application of the new methodology.

76. The new Manual on Policies and Procedures concerning Reimbursement and Control of Contingent-owned Equipment of Troop-contributing Countries participating in Peacekeeping Missions provides standard reimbursement rates for major equipment. Those rates are based on the original purchase price, the cost of major capital improvements and the effects of inflation on the equipment.

77. As noted earlier in the present report, the Board's comparison of the approved generic fair market value of major equipment in the manual with the depreciated and purchase prices of similar equipment quoted by some troop-contributing countries disclosed substantial variations. For example, the generic fair market value approved in the manual for armoured personnel carriers, cargo, is $505,000. Based on that value, the standard monthly reimbursement rates for an armoured personnel carrier had been fixed at $2,104 for dry-lease arrangements (reimbursement for leasing of contingent-owned equipment) and $4,838 for wet-lease arrangements (reimbursement for maintenance and leasing of contingent-owned equipment). The values of armoured personnel carriers of $247,000, $70,000 and $290,000 declared by three troop-contributing countries in their claims are lower than the $505,000 used as the basis for fixing the reimbursement rates. In yet another case, while the manual used $220,000 as the basis for determining of the rate for a heavy truck, the value submitted by a troop-contributing country was $117,000. The Board considers that the values used for determining the monthly reimbursement rates under the new system are excessive.

78. Another defect in the retroactive application of the new contingent-owned equipment methodology was that the United Nations had no control over the equipment brought to missions by the troop-contributing countries which unilaterally determined the levels. Since that equipment had already been deployed before the introduction of the new procedures, it is not feasible for the Organization to review the already established levels for purposes of determining the appropriate levels of contingent-owned equipment to be reimbursed. In the circumstances, the United Nations has no option but to apply the approved reimbursement rates to the existing equipment levels, resulting in relatively higher reimbursement claims.

79. Bearing in mind the increase in costs due to the retroactive application of the new methodology and the fact that the Organization provided some self-sustainment support for most contingents that served in missions prior to the introduction of the new methodology, **the Board recommends that the Administration review the retroactive application of the new methodology for the reimbursement of contingent-owned equipment and submit proposals to the General Assembly for limiting the additional costs likely to be incurred.**

Transportation of contingent-owned equipment

80. In October 1997, while agreeing to recommend two transport contracts for UNTAES with a total value of $2.5 million, the Headquarters Committee on Contracts expressed

serious concerns about the nature of the procurement. Although the invitation to bid issued to potential vendors by the mission specified rail transport only, one of the companies had submitted proposals for a combination of rail and barge transport. Subsequently a contract with a ceiling value of some $1.5 million was awarded to that company for both services. However, the Mission did no further survey or evaluation of the costs of transporting equipment by barge. It was therefore difficult for the Headquarters Committee on Contracts or the mission to ascertain whether the bid represented the best value for money that could be achieved.

81. UNTAES agreed that such substantial changes to the bidding exercise should generally be retendered, but that it was not possible within the time constraints imposed by the liquidation. The Board noted, however, that the total length of the procurement exercise was some four months from the mission's request to undertake local procurement to its receiving notification of the recommendation of the Headquarters Committee on Contracts. The Board noted the following delays in particular:

(a) 42 days between the mission's request for the recommendation of the local committee on contracts and the local purchasing division's granting authority;

(b) 45 days between the opening of the tenders and the account holder's providing an evaluation of the bids, followed by an additional two weeks in which the account holder frequently revised the list of contingent-owned equipment to be transported;

(c) 16 days between approval of the recommendation of the Headquarters Committee on Contracts and the Field Administration and Logistics Division's sending the mission a notification.

82. Given the delays in submitting the case to the local and Headquarters committees on contracts, the value that both committees could add to the process was considerably reduced. The Headquarters Committee on Contracts estimated that if it did not recommend approval of the bids, the cost to the United Nations would have been some $500,000 per week. The Headquarters Committee on Contracts considered therefore that it had no option but to recommend the award of the contracts as proposed by UNTAES. **The Board recommends that peacekeeping missions submit cases to local and Headquarters committees on contracts with sufficient lead time to ensure that effective reviews are carried out.**

3. Procurement case files

83. The Board, during its interim audits in 1996 and 1997, had commented on gaps in the filing system of the Procurement Division and recommended that the system for controlling the movements and storage of the procurement case files be reviewed by the Division to facilitate their retrieval.

84. During the Board's audit in the autumn of 1998, it observed that the weaknesses in the filing system had not been addressed. Out of the 123 case files selected at random for examination, 28 files (23 per cent) could not be traced and submitted for review by the Board. Furthermore, the 95 case files submitted to the Board for examination in most cases did not contain sufficient records and documentation, such as copies of requisitions, contracts and receiving and inspection reports, to provide an adequate and detailed trail of the procurement process.

85. **The Board recommends that the Procurement Division review its filing system to facilitate the retrieval of case files and also to provide a clear audit trail.**

86. According to the Administration, in January 1999 it initiated, on a special priority basis, a project to redress the deficiencies noted by the Board in the filing system of the Procurement Division.

4. Registration of suppliers

87. In accordance with the Procurement Manual, an unregistered supplier being awarded a United Nations contract is granted a temporary registration for a period of six months or the duration of the contract, whichever is longer. A vendor who wishes to remain on the roster must complete the registration process within the stipulated period.

88. The Board examined files on 84 suppliers who had been awarded contracts with a total value of $81.9 million between October 1997 and March 1998 to assess the validity of their registration. The Board noted that of the 84 vendors, 9 had been awarded contracts more than once in succession without completing the registration process.

89. The Administration intends to review the Board's findings to elaborate on the procedures related to temporary registrations to satisfy its operational needs since it believes that the best interests of the Organization should dictate whether or not to extend a temporary registration. In the Administration's view, supplier registration should not be considered as a restriction on the selection of potential suppliers, but rather as an ongoing process to develop a database of qualified suppliers to be used as the primary source from which to select potential suppliers. The Administration added that the issue would be reviewed again by the Procurement Division in connection with the recent development and implementation of the United Nations common supplier database.

90. The Board shares the view of the Administration, but **recommends that suppliers with temporary registration should be considered for a second contract only after they have complied with the registration procedure in accordance with the Procurement Manual.**

5. Use of purchase orders to hire short-term staff

91. At UNDOF, in response to requisitions from the communications and engineering services, the Procurement Section issued a total of 43 purchase orders between July 1997 and June 1998 to obligate a sum of $41,460 for hiring temporary electricians, cleaners and a consultant engineer, contrary to established procedures.

92. The services provided by the temporary staff were charged to the maintenance services account instead of to the general temporary assistance account. The services of those temporary staff have become permanent, as the requisitions have been issued month after month to request their services and purchase orders were consequently issued to engage them from July 1997 to the time of the Board's audit in September 1998.

93. UNDOF officials explained that during 1992 it had reduced in both locally recruited and international staff posts because of a reduced requirement when the headquarters was located in Damascus City. However, the move of the headquarters to Camp Faouar required some additional posts to effectively support the workload at the new location, and as a result, temporary staff were hired.

94. The Board considered that the use of purchase orders to engage temporary staff was not appropriate and **recommends that the Department of Peacekeeping Operations and UNDOF ensure that the recruitment procedures established by the Office of Human Resources Management are complied with.**

6. Use of liquidated damages clause

95. UNMIBH purchased flashlights and handcuffs for $394,000 using funds from the Trust Fund for the police assistance programme in Bosnia and Herzegovina. A purchase order was issued on 26 September 1997, and the goods were delivered in two stages. The first shipment arrived at UNMIBH on 16 February 1998 and the second on 23 February, almost five months after the purchase order was issued. A second procurement action for the purchase of batons for $279,360 from the same vendor was delayed by at least three months: the purchase order was issued on 24 October 1997, with a delivery date of 22 January 1998. The order was delivered on 3 June 1998.

96. The Board noted that the revised Procurement Manual provided for the inclusion of a liquidated damages clause in contracts, but did not provide for the use of penalty clauses. The Board will monitor the appropriateness and the application of the new arrangement.

7. Contract management

(a) Contract for support services at the United Nations Observer Mission in Angola

97. The United Nations entered into contract with a supplier to provide support services to MONUA with a "not-to-exceed" cost of $16.19 million for a period of 12 months beginning in January 1998. The Board noted the following deficiencies in the implementation of the contract:

(a) Although the request for proposals stipulated that the prices offered should remain fixed and firm over a two-year period and that no proposal would be considered without the proposer's having participated in a site visit, the contractor, who was the sole bidder and who was awarded the contract, did not satisfy either of those prerequisites. The contractor did not participate in the site visit, but three weeks after the date of the site visit and just two days before the opening of the bids, he informed the Administration that a partner of the existing contractor had represented him at the site visit. In addition, after the contract was signed by the United Nations, the new contractor proposed a post-tender upward price revision on the grounds that the original proposal contained errors and omissions. The Board considered that the new contractor had underestimated the scope of work and inadequately assessed the resources required;

(b) Although the contractor began operations on 19 January 1998 he was unable to deliver the agreed-upon services with the number of personnel he had included in his proposal. The Mission estimated that some 50 United Nations staff, at a cost of $300,000 per month, had continued to undertake tasks that had been clearly identified in the statement of work to be performed by the contractor;

(c) The Administration did not collect the penalty payment of $20,000 due from the contractor after he failed to provide a performance guarantee bond in the amount of $1.62 million by 28 January 1998 as required under the contract; the bond had not been furnished as at 16 October 1998;

(d) The service contractor had issued 16 invoices, as at 16 October 1998, amounting to $8.14 million. Although MONUA provided $6.06 million as a cash advance to the contractor, no invoice has been certified for payment since the Mission is not in a position to certify that the contractor has met the standards stipulated in the statement of work.

98. The Administration stated that it did not collect the penalty payment of $20,000 because at that time the contractor was threatening to invoke *force majeure* and leave the Mission; the performance guarantee bond was being pursued.

99. Following a series of discussions between the Mission, United Nations Headquarters and the contractor, it was finally decided that the contractor would be permitted to bring in additional staff and would reduce the amount to be charged for labour in the event of incomplete performance, remove the general and administrative costs included in the labour and other direct costs and implement the quality assurance programme, which provided for a scale of deductions for unsatisfactory service. Management agreed to an increase in the permitted staffing levels for additional tasks in the statement of work and to enable the service contractor to fully implement the statement of work. The cost of the revised proposal amounted to $17.73 million, as against the original not-to-exceed cost of $16.19 million. Although the revised proposal was agreed to by the Headquarters Committee on Contracts on 29 July 1998, United Nations Headquarters had not signed the amendment to the contract as at October 1998. The Mission had informed United Nations Headquarters that funds were available to meet the costs involved in the deployment of the additional staff by the contractor and that contractual provisions safeguarded the interests of the Organization in the event of the closure of the Mission.

100. The delay in finalizing the amendment has significantly affected the performance of the contractor, since he has been unable to mobilize the additional staff. According to management, the main areas affected include movement control at all airports and air-traffic control at Luanda, generator maintenance, satellite network communications, component repair, radio communication services and regional maintenance support. This has also resulted in several United Nations personnel continuing to perform functions that should be performed by the contractor. The quality assurance programme has not been formally implemented, since there was lack of agreement between the Mission and the contractor regarding the content and application of the programme; also, the contractor would not agree to have his performance evaluated until he was allowed to mobilize the additional staff.

101. **The Board recommends that the Field Administration and Logistics Division resolve expeditiously the outstanding issues pertaining to the contract for support services at MONUA and obtain urgently the performance bond from the service contractor in order to ensure an adequate standard of support services.**

102. Although the statement of work in the contract for support services outlined the tasks to be performed by the contractor in the different task areas, including engineering and equipment maintenance, MONUA issued a purchase order for a total price of $25,250 on 29 June 1998 to a vendor for the overhaul of three 170 kVA Cummins generators on an "immediate operational requirement" basis; the engines were to be sent immediately to Pretoria airbase for collection by the vendor.

103. Dispatch of the items was denied in July 1998 after management realized that this type of task was included under the support services contract. Work on overhaul of the generators had not been taken up as at October 1998 pending a costing exercise by the contractor. Management agreed that the role of the contractor, in different task areas, needed to be clarified for the different divisions of the Mission.

104. **The Board recommends that the Administration require the contractor to undertake all the tasks set out in the statement of work and that payment be contingent on satisfactory completion of the tasks.**

(b) Contract for provision of rations in the United Nations Observer Mission in Angola

105. The contract for provision of rations to the various military units under UNAVEM/MONUA came into effect on 25 September 1995 for an initial period of one year. The contract was extended on four occasions, in November 1996, March 1997, October 1997

and March 1998. The latest amendment renewed the contract from 1 March 1998 to 28 February 1999. The contract value increased from $25.78 million in its first year to a cumulative total of $46.94 million by the end of February 1999. Payments amounting to $43.94 million had been certified on the rations contract by 6 October 1998.

106. During the contract period, the Mission experienced difficulties with the provision of food to its military units. The contractor repeatedly failed to meet standards in terms of quantity and quality of food and made unauthorized commodity substitutions despite several complaints by the Mission and three letters of censure by the Administration since July 1996.

107. The Board noted that this high-value contract was frequently renewed with cost increases during the last three years without fresh bids having been invited. This contract did not contain any clause to hold the contractor accountable through imposition of financial penalties for poor contract performance. The Administration did not invoke the performance bond in the amount of $343,745.

108. The Administration informed the Board that while it had made deductions for unauthorized substitutions from the contractor's invoices since May 1997, the deductions for the period from October 1996 to April 1997 would be made before the expiry of the contract, and any overcharges would be deducted from the final payment. It added that since the present contract was set to expire on 28 February 1999, action was being taken to extend it for a period of three months in order to enable a new procurement exercise to be undertaken.

109. **The Board recommends that the Field Administration and Logistics Division rebid the MONUA rations contract in order to obtain competitive rates, and that the contract contain a clause to hold the contractor accountable for poor performance. The Board also recommends that the Administration make deductions for unauthorized substitutions and shortfalls in quality and quantity of the food supplied.**

(c) Contract for laundry and dry cleaning services at the United Nations Peacekeeping Force in Cyprus

110. In February 1998 UNFICYP invited bids for the provision of laundry and dry cleaning services for the period from 1 July 1998 to 30 June 1999 at an estimated value of $205,870. The Administration received nine bids, but instead of accepting the lowest bid of 0.29 Cyprus pounds per kilogram for the entire mission, management split the contract. Part of it was given to a bidder from another region of Cyprus at a negotiated rate of C£ 0.45 per kilogram. The Board estimated that the additional financial impact on account of the higher rate was $35,226 (17 per cent of the estimated value of the contract). Management attributed the splitting of the contract to the need for impartiality in view of the political sensitivity of the environment.

111. Management did not submit the case to the Headquarters Committee on Contracts on the grounds that the value of each split part of the contract was below the monetary limit of $200,000. The Board considers that since the contract was advertised as a single one and the value of the total contract exceeded $200,000 it should have been submitted to the Headquarters Committee on Contracts for consideration.

8. Field assets control system project

112. In October 1997 the General Assembly endorsed the Administration's proposal to develop and implement the field assets control system, in order to better manage and control non-expendable property of all peacekeeping missions. The system, which will also assist

Headquarters to assess all non-expendable property items recorded by the field missions, was scheduled to be installed and become operational in all missions by June 1998.

113. The Board's audit in October 1998 revealed that the system had been installed and tested at three missions as planned (UNOMIG, UNFICYP and UNTSO) and at the United Nations Logistics Base at Brindisi, but that it had not been installed at the remaining 11 active missions. As at October 1998, details of 14,504 non-expendable property items with an inventory value of $25.9 million had been entered into the system for the three field missions and the Logistics Base. The Administration was not able to implement the field assets control system at all the missions by the June 1998 deadline and attributed the low implementation of the project to the inadequate staffing of the project team. Thus, as at 30 June 1998, out of the total value of non-expendable property of $446.7 million in peacekeeping operations, only $25.9 million had been entered into the field assets control system.

114. The General Assembly approved four new posts for use in the implementation of the field mission logistics system, of which the field assets control system is a major subsystem. The Board looks forward to the full implementation of the field assets control system to strengthen managements and control over the movement of non-expendable property of the field missions.

(a) Central asset database

115. From late 1997, UNMIBH embarked on a programme of improving the quality of information held in the Mission's central asset inventory. This included installing a new central asset database, merging account-holders' records onto the database and reconciling them with records held by the Property Control and Inventory Unit and undertaking physical checks of equipment. Notwithstanding those improvements, the Board noted that the new central asset database still held incomplete data for some items of the equipment. Missing information included details of the tag number, bar code, names of staff to whom equipment had been issued, serial number and location. For example, the Board noted that some 26 per cent of the communications assets had been recorded on the database as containing no bar code, whereas the Mission estimated that the actual number of communications assets without bar codes was around 8 per cent of the total. The Mission was aware of the problems and understood that it needed to do further work to ensure that all data fields in the new central asset database were complete.

116. As part of the transfer to the new central asset database, the Property Control and Inventory Unit attempted to reconcile its existing inventory with the records held by the various account-holders. This exercise identified discrepancies between the two sources of information. The largest problem was related to the communications database, which originally included over 1,000 items that could not be located. The Communications Unit was aware of the problem and undertook an exercise to resolve the differences. By August 1998 it had reduced the unlocated assets to 388 items. The Board was also informed that the Property Control and Inventory Unit, in conjunction with the relevant account holders, would undertake a further physical verification exercise to resolve any remaining discrepancies. The Board welcomes these efforts to improve the quality of the information held.

117. The Board examined a sample of items and successfully traced them to the central asset database. The Board also examined a sample of items recorded on the inventory and attempted to confirm the physical existence of the asset. In 9 of the 25 items selected, the database contained no record of the name of the staff member to whom the equipment had been assigned. Such links are important for accountability purposes, and **the Board**

recommends that UNMIBH ensure that all assets are signed for at the time of handover, and that those details are fully recorded on the central assets database.

(b) Acknowledgement of transferred assets

118. At MONUA, of the 246 line items of non-expendable property with an acquisition value of $3.49 million transferred to 20 United Nations agencies and peacekeeping missions, acknowledgement reports were received for 103 line items with a total value of $0.87 million, leaving 143 line items ($2.62 million) not acknowledged as at October 1998. The non-expendable property awaiting acknowledgement included 39 items with an acquisition value of $0.26 million transferred before 31 December 1996.

119. The Board noted that information regarding receipt of receiving and inspection reports for assets transferred to other missions was not available in the central asset databases of the Property Control and Inventory Unit, although the units concerned were responsible for obtaining the receiving and inspection reports from receiving missions and also for inputting such information while updating their respective asset databases.

120. **The Board recommends that MONUA pursue and obtain acknowledgements for all assets transferred to other missions or United Nations agencies and input information regarding the receipt of receiving and inspection reports into the central asset database in the Property Control and Inventory Unit in order to monitor and control the transfer of assets centrally.**

(c) Property Survey Board cases

121. Between January 1997 and October 1998, a period of 21 months, 1,605 property survey cases involving some $80.6 million were referred to United Nations Headquarters by 25 field missions (including 5 completed missions) for review by the Field Administration and Logistics Division and subsequent submission to the Headquarters Property Survey Board for a final decision. Of the 1,605 cases, the Field Administration and Logistics Division referred 664 cases to the Headquarters Property Survey Board, and the remaining 941 cases, with a total value of $16.7 million, were pending processing as at October 1998. The Headquarters Property Survey Board has decided on 93 cases referred to it, which have a combined inventory value of $43.1 million. In effect, as of October 1998, 1,512 cases with an inventory value of $37.5 million were pending processing by the Field Administration and Logistics Division and the Headquarters Property Survey Board.

122. The cases pending decisions of the Field Administration and Logistics Division and the Headquarters Property Survey Board included 518 cases in respect of write-off of non-expendable property as a result of damage, loss and theft of assets, which has an inventory value of $23 million. Those items remain on the inventory register of the various missions and have been included in the value of non-expendable property disclosed in the financial statements for the period ending 30 June 1998.

123. The Board's check of 19 cases submitted by four missions (MINUGUA, UNAVEM, UNMIBH and UNOMIL) through the Field Administration and Logistics Division to the Headquarters Property Survey Board revealed that the processing time for those cases ranged from 5 to 12 months. The Board is concerned about the length of processing time for the cases referred to Headquarters by field missions.

124. The Board also reviewed the operation of the local property survey board, and in particular focused on the time that elapsed between the occurrence of an incident and the issuance of a formal decision by the local property survey board. The Board reviewed sample cases for which local property survey board action was complete, and found that the average

time between the date of the incident and the decision was 3.5 months in UNMIBH and 5.2 months in UNTAES, with the longest being approximately 9 months in both missions.

125. The Board identified the factors contributing to the delay in processing the cases as inadequate supporting documentation for some of the cases, incomplete investigation of the cases at the missions and the time lag between the collection of information and the submission of the cases to the local property survey board. For example, the Headquarters Property Survey Board could not process 11 cases of the United Nations Transitional Office in the Former Yugoslavia for lack of relevant supporting documentation.

126. The Administration attributed the delay in processing to inadequate training of mission staff involved in handling property survey board cases, and therefore made budget proposals to enable on-the-job training to be provided to mission personnel in this area. The Administration added that the implementation of the new delegation of authority, which allows local property survey boards to handle cases involving values of up to $25,000 and staff cases that are not in dispute, will reduce the volume of cases that are referred to the Headquarters Property Survey Board. This action will reduce the workload on the Headquarters Property Survey Board and will facilitate prompt processing of the backlog of cases before it. The Board will monitor and evaluate the impact of those measures on the processing of property survey board cases in its future audits.

127. As noted in the Board's report on peacekeeping operations for the 18-month period ending 30 June 1997, the local property survey board at UNPF had considered the write-off of 16,096 assets with an original value of $67.7 million. As indicated earlier in the present report the local property survey board had approved the write-off of 6,952 items valued at $24.7 million and submitted the remainder of 9,144 cases with the value of $43 million to the Field Administration and Logistics Division for submission to the Headquarters Property Survey Board. Once the mission had referred cases to the Field Administration and Logistics Division, it generally did not follow them up to confirm that they had been written off by the Headquarters Property Survey Board.

128. The receiving section of the Field Administration and Logistics Division operated a database that recorded only when it had submitted cases to the Headquarters Property Survey Board, not when they were received from the missions. The information entered into the database on the value of cases appeared to be inconsistent; for some cases the Division recorded the purchase price, and for others it recorded the residual value or some other variation. **The Board recommends that for all missions, the Field Administration and Logistics Division ensure that the database accurately reflects both the original and residual values of equipment submitted to the Headquarters Property Survey Board for write-off action.**

129. The UNPF liquidation team subsequently determined that of the $43 million submitted to the Field Administration and Logistics Division for write-off action, the Headquarters Property Survey Board had actually recommended for write-off some $20 million by February 1998 and that cases worth some $23 million still remained to be considered. Some of those cases had been awaiting approval for over four years. **The Board recommends that the Field Administration and Logistics Division take action to expedite the clearance of outstanding cases of write-off of non-expendable equipment.**

9. Claims

(a) Government claims

130. As at 28 February 1998, UNPF had outstanding claims against it of some $80 million. The largest single element was a claim of some $68 million from the Government of Bosnia

and Herzegovina for damage caused by the mission to various government properties. The amount included claims for the deforestation of Mount Igman and damage to barracks, Sarajevo airport and roads within the country. As the Board commented in its report on United Nations peacekeeping accounts for the 18-month period ending 30 June 1997, the mission had not conducted adequate inspections prior to occupying the properties and therefore had no objective data on which to evaluate the level of damage for which the mission was responsible. In the case of a claim for damage to barracks, the mission generally had not conducted any assessment of the condition at the time of departure. Those inspection reports that were produced were insufficiently detailed for the purposes of evaluating the claims. The Government concerned first made its claim in May 1996, but the mission did not initiate any inspection of the premises and locations involved until mid-1997 — over a year after the claim had been received. This delay reduced the ability of the mission's property inspection team to make a valid judgement on who was responsible for the damage. The Board considers that missions should ensure that all inspections of damage allegedly caused by the United Nations are conducted as soon as possible after the claim has been received.

131. The eventual assessments made by the property inspection team indicated that, of the total claim of $68 million from the Government of Bosnia and Herzegovina, less than $1 million was attributable to the United Nations. The liquidation team sought guidance from the Department of Peacekeeping Operations and the Office of Legal Affairs on how to proceed. This matter remained outstanding in January 1999.

(b) Retrospective rental cases

132. UNPF has received some 40 claims for retrospective rent from the owners of abandoned property that was subsequently occupied by the mission's troops. The total claimed for 33 of the cases was $6.2 million, while the remaining 7 claimants requested "fair rental". The mission's policy on those cases followed formal guidance from the Office of Legal Affairs, which stated that the United Nations was liable to make restitution for the non-consensual use of property once the claimant had proved ownership.

133. In July 1997, the mission's legal adviser warned that, in the context of the former Yugoslavia, there would be considerable difficulty in proving claimants' ownership of property or determining how the properties came to be occupied by the mission. This was because of the confused nature of property ownership during the years of the war and the fragmentary and contradictory evidence available. To address some of those concerns, the mission asked all claimants to provide evidence of ownership.

134. The majority of the claims were submitted following military offensives of May and August 1995. Although formal advice was received from the Office of Legal Affairs in September and October 1996, the mission took no further action until March 1997, when the UNPF Claims Unit sought further advice from the UNPF legal adviser. This advice was received in March 1997 and was supplemented by further advice from the Office of Legal Affairs in May 1997 and from the UNPF legal adviser in June and July 1997. The Board is concerned over the length of time that it has taken to resolve this matter, and **recommends that the Field Administration and Logistics Division review the claims in order to make a decision on whether payment should be made.**

(c) Commercial claims

135. In UNPF approximately $3.8 million has been claimed by five companies. Three of the claims relate to damage to vehicles rented by the mission between October 1992 and

December 1995. The settlement of the claims was delayed while the mission sought confirmation of the damage and contractual responsibility.

136. One of the other claims was from a company that provided training to one of the mission's battalions on the use of their armoured personnel carriers. The company was initially unwilling to undertake the training in May 1995 owing to its previous experience of late payment of invoices by the United Nations, but following extensive assurances from the Department of Peacekeeping Operations, it agreed to undertake the work. Although authorization to conduct the training was given by the Director of the Field Administration and Logistics Division in May 1995, no contract was ever entered into between the United Nations and the company, and no obligation was established. Although the local committee on contracts approved the arrangement, the case was never passed to the Headquarters Committee, as no section within the Department of Peacekeeping Operations could agree on who should bear the cost. By October 1995 the company had submitted invoices totalling DM 2.1 million (some $1.4 million), and despite efforts by both the mission and the company, no section within the Department would accept responsibility for paying the invoice. Following intervention by the permanent mission of the company's country to the United Nations, the case was passed to the local claims review board to be paid as a claim.

137. The local claims review board authorized the full amount for payment in February 1998, some three years after the work was completed. **The Board recommends that the Department of Peacekeeping Operations ensure that before contractors are permitted to start work there is a valid contract.**

(d) Violations of the status-of-forces agreement

138. The United Nations negotiated status-of-forces agreements with each of the host Governments in the former Yugoslavia. Those agreements established the administrative relationship between the United Nations and the Governments, and followed the model status-of-forces agreement submitted by the Secretary-General to the General Assembly on 9 October 1990 (A/45/594, annex). In its report on United Nations peacekeeping accounts for the biennium 1994-1995[1], the Board of Auditors expressed its concern over the number of occasions when host countries violated status-of-forces agreement. That concern was reinforced by the General Assembly in its resolution 51/12 of 4 November 1996, and in May 1997 the Advisory Committee on Administrative and Budgetary Questions requested the Secretary-General to propose measures that would ensure full compliance with status-of-forces agreements by Governments (A/51/892, para. 23).

139. On 31 July 1997, UNPF produced a compendium of violations of status-of-forces agreements by host Governments in the former Yugoslavia. This revealed that the mission had overpaid the Government of Croatia some $93 million. The largest element of this was $49 million paid for rented properties and $37.5 million in taxes paid on services. The mission paid smaller amounts for road tolls and airport and interest charges. Under the terms of the status-of-forces agreement, the United Nations should have been exempt from all such charges. In addition, the United Nations was overcharged some $34 million by the Government of Bosnia and Herzegovina, with smaller sums overpaid to the Governments of Yugoslavia and the former Yugoslav Republic of Macedonia. When making those payments, the mission was aware that the services mentioned should be exempt from payment. However the services would not have been provided without payment, and the mission was therefore obliged to make the payments, albeit under protest, in order to ensure that it remained operationally effective.

140. The United Nations sent formal letters of protest to the Governments of Croatia and Bosnia and Herzegovina in December 1995. However the letters did not specify the amounts

overpaid or the services received, and the Department of Peacekeeping Operations has yet to send letters to the Governments of Yugoslavia and the former Yugoslav Republic of Macedonia. On 3 November 1997, the Office of Legal Affairs advised the Department of Peacekeeping Operations to inform each Government of the amount of the United Nations claim against it. As at January 1999 this had not been done. **The Board recommends that the Department of Peacekeeping Operations write to the concerned Governments regarding the need to comply with the terms of the status-of-forces agreement and also raise the matter with the respective permanent missions to the United Nations.**

(e) International service agencies

141. As the Board noted in its reports on the United Nations peacekeeping accounts for the biennium 1994–1995[1] and for the period from 1 January 1996 to 30 June 1997,[2] UNPF employed international contractual personnel to meet the shortfalls in staffing the mission. By mid-1996, those staff members were being provided by five international service agencies. As the mission closed the contracts in mid-1996, it retained some $872,000 from the final payments to the international service agencies to cover the cost of damage, estimated at some $800,000, caused to United Nations property by international contractual personnel and the cost of other claims brought against international contractual personnel. The international service agencies resisted this action on the grounds that the contracts between the mission and themselves did not give the mission the legal authority to recover such costs from the agencies.

142. This matter was resolved in June and July 1997 after considerable negotiation between the mission and the international service agencies. The mission paid $660,000 to the agencies and retained $212,000, representing some 27 per cent of the $800,000 originally claimed. This low level of retention was partly due to the fact that the information upon which the mission had based its claims was flawed. The mission considered that claims amounting to only some $263,000 were sufficiently well-documented and supported by evidence to make them acceptable for external review, even though all of the claims had been supported by the local property survey board. While the Board is pleased to note that the matter has been settled, it is disappointed that the mission had to abandon some $588,000 of claims judged valid by the local property survey board.

10. Cases of fraud and presumptive fraud

143. During the financial period ending 30 June 1998, the three cases of fraud and presumptive fraud discussed below were reported to the Board:

(a) At UNOMIG, owing to weak security arrangements at the cashier's office, the "day safe" containing $35,642 in cash (as reported earlier in this report) and equipment estimated at $2,930 were stolen. The perpetrator of the burglary was not identified but the case was being investigated;

(b) At MONUA, a vehicle recommended for write-off as "beyond economic repair" was found operational, and the vehicle chassis number had been scraped off. The case was referred to a board of inquiry;

(c) A staff member at UNIFIL had repeatedly provided the Organization with incorrect information regarding education grant claims for his daughter, thus defrauding the Organization of $23,000. The staff member was summarily dismissed on the basis of the findings of an investigation. Action was initiated by the Administration to recover the amount from the staff member's final entitlement.

D. Acknowledgement

144. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended by the Secretary-General, the Under-Secretary-General for Management, the Under-Secretary-General for Peacekeeping Operations and members of their staff.

(Signed) Osei Tutu **Prempeh**
Auditor-General of Ghana

(Signed) Sir John **Bourn**
Comptroller and Auditor General
of the United Kingdom of Great Britain
and Northern Ireland

(Signed) Vijay Krishna **Shunglu**
Comptroller and Auditor General
of India

25 February 1999

Notes

[1] *Official Records of the General Assembly, Fifty-first Session, Supplement No. 5* (A/51/5), vol. II.

[2] Ibid., *Fifty-second Session, Supplement No. 5* (A/52/5), vol. II.

Annex I

List of missions audited

MINURCA	United Nations Mission in the Central African Republic
MINURSO	United Nations Mission for the Referendum in Western Sahara
UNAVEM III/MONUA	United Nations Angola Verification Mission/United Nations Observer Mission in Angola
UNDOF	United Nations Disengagement Observer Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNMOP	United Nations Mission of Observers in Prevlaka
UNMOT	United Nations Mission of Observers in Tajikistan
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPROFOR	United Nations Protection Force
UNSCO	Office of the United Nations Special Coordinator in the Occupied Territories
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTSO	United Nations Truce Supervision Organization

Annex II

Follow-up on actions taken to implement the recommendations of the Board of Auditors in its report for the financial period ending 30 June 1997[a]

Recommendation 10 (a)

1. The value of pending arbitration claims against peacekeeping operations should be disclosed in the notes to the financial statements in accordance with the requirements of the United Nations accounting standards, since those claims constitute contingent liabilities.

Measures taken by the Administration

2. The financial statements in the present volume now include the value of contingent liabilities in note 10.

Comments of the Board

3. The recommendation has been implemented.

Recommendation 10 (b)

4. For accurate financial reporting, provision should be made in the financial statements for delays in the collection of assessed contributions in accordance with the requirements of the United Nations accounting standards.

Measures taken by the Administration

5. According to the Administration, the accounting standard does not make such a provision mandatory, as it provides some flexibility based on internal policies of various organizations. In this respect it is the policy of the United Nations not to make any provision for delays in the collection of assessed contributions. However, in order to provide disclosure on this matter, the Administration indicated, in the notes to the financial statements, information on Member States that have indicated their intention not to participate in the financing of certain peacekeeping missions.

Comments of the Board

6. As discussed in the present report, the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) will be examining this matter and others in 1999. The Board will keep this matter under review.

[a] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 5* (A/52/5), vol. II, chap. II, para. 10.

Recommendation 10 (c)

7. The Administration should establish suitable lead times for submission of requisitions to enable vendors to respond to bids and should monitor compliance with the established lead times.

Measures taken by the Administration

8. The Administration has developed procurement plans in several missions, thereby affording sufficient lead times to enable vendors to respond to bids whenever feasible. The Administration further explains that it is not practical in all circumstances to offer suitable lead times, and in some instances lead times have to be shortened to accommodate immediate operational requirements. It will however continue to offer suitable lead times whenever possible.

Comments of the Board

9. The Board will continue to monitor this issue in future audits.

Recommendation 10 (d)

10. To avoid delays in the award of contracts, the Administration should set clear deadlines for the technical evaluation and other internal review processes.

Measures taken by the Administration

11. The Administration has developed work schedules on a case-by-case basis to commence procurement exercises with sufficient lead times for evaluation and review processes. A working group consisting of the Procurement Division, the Field Administration and Logistics Division and the Office of Legal Affairs meets monthly to monitor schedules and reprioritize work.

Comments of the Board

12. The implementation of this recommendation is ongoing. It will be monitored by the Board in future to see whether the issue is fully addressed.

Recommendation 10 (e)

13. The Administration should establish a global procurement planning process in order to avoid unwarranted extensions of contracts and also to benefit from economies of scale where possible.

Measures taken by the Administration

14. The Administration has instituted system contracts for the procurement of 2,000 vehicles and estimates that savings to be made under those contracts will be $15 million in 1998-1999, while savings on procurement of spare parts will be $3 million per year for the same budget period. The Administration plans that by June 1999 additional long-term system contracts for procurement of buses, vehicle batteries and tires would be signed. Additional areas are also being explored to determine whether global contracts are feasible.

Comments of the Board

15. The Board is pleased to note that the implementation of this recommendation will result in a savings of at least $18 million.

Recommendation 10 (f)

16. The Department of Peacekeeping Operations, in conjunction with UNPREDEP and MONUA, the successor mission to UNAVEM III, should investigate the circumstances that led to avoidable expenditures being incurred by the two missions and take appropriate action.

Measures taken by the Administration

17. According to the Administration, the circumstances in the two missions have been investigated. The Department of Peacekeeping Operations has taken steps to ensure that missions scrutinize invoices more meticulously and reconcile them with evidence of actual usage in advance of processing payments under contracts. MONUA is now operating with a new complement of procurement staff. All missions have been advised of the Board's concerns and cautioned on the need for full compliance with established procedures relating to procurement.

Comments of the Board

18. The Board will continue to monitor this matter in its future audits.

Recommendation 10 (g)

19. The Administration should emphasize to MONUA the importance of full compliance with established procedures relating to procurement.

Measures taken by the Administration

20. The Department of Peacekeeping Operations has sent out reminders to missions delineating the strict requirements for submitting to the Headquarters Committee on Contracts their *ex post facto* cases for which the mission chief administrative officers would be held personally responsible. In addition, the revised Procurement Manual, issued in April 1998, has been sent to all heads of departments and offices away from Headquarters, including field missions, and was also available on the United Nations Intranet.

Comments of the Board

21. The Board noted during its audit that officers at MONUA needed to be made familiar with the new Procurement Manual so that they could implement its provisions.

Recommendation 10 (h)

22. In order to facilitate claims processing and to ensure proper monitoring and accurate payment of claims, the Administration should review its computerized systems on letters of assist to ensure that they are coordinated and provide accurate data capture and reliable information flow.

Measures taken by the Administration

23. An exercise has been carried out between the representatives of the Department of Peacekeeping Operations and the IMIS project as a result of which parallel records relating to letters of assist maintained by the Department and IMIS are compatible with each other. IMIS enhancements now allow the tracking of the issuance, pre-encumbrance and settlement of letters of assist. Following this exercise, obligations are now raised in IMIS to record and keep track of reimbursements rendered under letters of assist.

Comments of the Board

24. The Board will continue to monitor this issue in future audits.

Recommendation 10 (i)

25. The Headquarters Committee on Contracts should not consider letters of assist on an *ex post facto* basis; the Administration should clearly define the circumstances in which non-letters of assist claims can be accepted.

Measures taken by the Administration

26. The Administration has issued guidelines to troop-contributing countries in which all missions were duly reminded of the need to ensure that the provision of additional services must receive prior approval from Headquarters. As a result, no *ex post facto* letters of assist were issued during the financial year ending 30 June 1998. With the establishment of the new wet- and dry-lease contingent-owned equipment system, *ex post facto* cases for consideration by the Headquarters Committee on Contracts have been eliminated.

Comments of the Board

27. Although the Board's audit for 1998 disclosed a substantial reduction in *ex post facto* submissions to the Headquarters Committee on Contracts, there were a few instances in which letters of assist were submitted for the consideration of the Headquarters Committee on Contracts on a partial *ex post facto* basis. The Board will continue to monitor how the implementation of the guidelines and the introduction of the reformed procedures for contingent-owned equipment reimbursement have affected the incidence of *ex post facto* submissions. The Board notes that such *ex post facto* considerations limit the review function to one that is merely informational.

Recommendation 10 (j)

28. The process of liquidation of peacekeeping missions should be accomplished within the shortest possible time in order to minimize costs; this should include a plan clearly identifying the time-frame for the completion of the outstanding tasks in all missions in liquidation, which should be closely monitored by the Department of Peacekeeping Operations.

Measures taken by the Administration

29. According to the Administration, it is vigorously monitoring the ongoing liquidation efforts in UNTAES and the United Nations Police Support Group to ensure that the liquidation of the mission will be completed within the stipulated time-frame.

Comments of the Board

30. The Board will continue to monitor the progress of the liquidation process.

Recommendation 10 (k)

31. For more effective control, missions in liquidation should undertake a physical inventory of non-expendable property prior to their disposal in accordance with the provisional liquidation guidelines.

Measures taken by the Administration

32. It is the expectation of the Administration that the field assets control system will be installed in all peacekeeping missions by 30 June 1999 and that it will ensure readily available data based on physical inventory.

Comments of the Board

33. The Board has commented on this matter in the present report and will monitor the implementation of the field assets control system to see whether it addresses the deficiencies noted.

Recommendation 10 (l)

34. The Administration should review the entire process regarding write-off of non-expendable property, from the mission level to finalization at Headquarters, in order to reduce the extent of delay.

Measures taken by the Administration

35. The Administration has established new delegation of authority for property control and accountability in respect of United Nations-owned and contingent-owned equipment with effect from 1 October 1998. The Administration envisages that the increased financial authority will considerably reduce the number of cases that need to be referred to the Headquarters Property Survey Board and thus expedite the whole process. With regard to the introduction of enhanced records management systems, a computerized system dealing with property disposal is part of the scope of work of the field management logistics system project.

Comments of the Board

36. As noted in the present report, there were delays of up to 12 months in the processing of cases by the Headquarters Property Survey Board. With the introduction of the new system, the Board will monitor and evaluate the impact of those measures on the backlog of Headquarters Property Survey Board cases in its future audits.

Recommendation 10 (m)

37. The Department of Peacekeeping Operations should ensure that before assets are transferred from a liquidating mission, appropriate evaluation is conducted to avoid the transfer of unserviceable property at additional cost to the Organization.

Measures taken by the Administration

38. A policy approved by the General Assembly in its resolution 52/1 A of 15 October 1997 provides for the transfer to the United Nations Logistics Base at Brindisi of only those assets that have at least two years of useful life remaining and are serviceable or repairable for not more than 30 per cent of their depreciated value.

Comments of the Board

39. The Board will monitor the implementation of this resolution in its future audits.

Chapter III

Audit opinion

We have audited the accompanying financial statements, comprising statements numbered I to XXXIII, the relevant schedules, numbered 1.1 to 33.1, and the supporting notes of the United Nations peacekeeping operations for the financial period ended 30 June 1998. These financial statements are the responsibility of the Secretary-General of the United Nations. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the common auditing standards of the Panel of External Auditors of the United Nations, specialized agencies and the International Atomic Energy Agency. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Secretary-General, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position as at 30 June 1998, and the results of operations and cash flows for the period then ended in accordance with the stated accounting policies set out in note 2 of the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Further, in our opinion, the transactions of the United Nations peacekeeping operations which we have tested as part of our audit have in all significant respects been in accordance with the Financial Regulations and legislative authority.

In accordance with article XII of the Financial Regulations, we have also issued a long-form report on our audit of the financial statements on the United Nations peacekeeping operations.

(Signed) Osei Tutu **Prempeh**
Auditor-General of Ghana

(Signed) Sir John **Bourn**
Comptroller and Auditor General
of the United Kingdom of Great Britain
and Northern Ireland

(Signed) Vijay Krishna **Shunglu**
Comptroller and Auditor General of India

25 February 1999

Chapter IV

Certification of the financial statements

1. General Assembly resolution 49/233 A dated 23 December 1994 established an annual financial period for peacekeeping activities covering the period from 1 July to 30 June. The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 1997 to 30 June 1998 have been prepared in accordance with financial rule 111.4.

2. The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information on and clarification of the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements, for which the Secretary-General has administrative responsibility.

3. I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to XXXIII, are correct.

(Signed) Jean-Pierre **Halbwachs**
Assistant Secretary-General, Controller

30 September 1998

Chapter V

Financial statements for the 12-month period from 1 July 1997 to 30 June 1998

Statement I

Summary of United Nations peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Total active operations	*Peacekeeping Reserve Fund programme support and Logistics Base*	*Total completed operations*	*All peacekeeping funds eliminations*	*Total for the period*	
					1 July 1997-30 June 1998	*1 July 1996-30 June 1997*
Income						
Assessed contributions	874 560	–	–	–	874 560	1 462 272
Voluntary contributions	63 082	–	–	–	63 082	62 496
Allocation from other funds	–	10 835	–	(10 835)	–	258
Income for services rendered	–	32 426	–	(32 426)	–	–
Interest income	28 861	6 184	5 507	–	40 552	49 136
Investment income	–	–	5 585	–	5 585	–
Other/miscellaneous income	21 726	415	2 550	–	24 691	40 484
Miscellaneous savings in liquidating obligations and adjustments	–	–	956	–	956	1 568
Total income	**988 229**	**49 860**	**14 598**	**(43 261)**	**1 009 426**	**1 616 214**
Expenditure (Statements IV–XXXIII)						
Total expenditure	**879 347[b]**	**38 418**	**199**	**(43 261)**	**874 703**	**1 161 934**
Excess (shortfall) of income over expenditure	**108 882**	**11 442**	**14 399**	**–**	**134 723**	**454 280**
Prior period adjustments	(23 409)	226	(12 404)	–	(35 587)	(13 754)
Net excess (shortfall) of income over expenditure	**85 473**	**11 668**	**1 995**	**–**	**99 136**	**440 526**
Transfer from (to) other funds	1 850	–	732	–	2 582	(34 038)
Savings on or cancellation of prior period obligations	20 003	40	5 623	–	25 666	42 690
Credits to Member States	(243 728)	–	(69 219)	–	(312 947)	(196 230)
Other adjustments to reserves and fund balances	1 030	–	–	–	1 030	(4)
Reserves and fund balances, beginning of period	797 804	168 084	260 696	–	1 226 584	973 640
Reserves and fund balances, end of period	**662 432**	**179 792**	**199 827**	**–**	**1 042 051**	**1 226 584**

[a] See note 5.

[b] Schedule 1.1.

The accompanying notes are an integral part of the financial statements.

Schedule 1.1

Summary of United Nations peacekeeping operations

Expenditures for active peacekeeping operations for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

Mission	*Military observers and contingents*	*Civilian police*	*Civilian personnel*	*Premises, accommodation and infrastructure*	*Transport operations*	*Air operations*	*Communications*	*Other equipment, supplies, and services and freight*	*Special programmes*	*Logistics Base and programme support cost*	*Total expenditures*[a]	
											1998	*1997*
UNFICYP	23 507	235	13 317	1 453	1 799	978	628	8 173	15	2 594	52 699	44 958
UNDOF	18 321	–	5 831	1 404	2 627	–	534	2 107	–	1 707	32 531	32 393
UNIFIL	76 444	–	24 901	2 517	8 358	1 096	1 267	5 736	–	4 708	125 027	126 744
UNIKOM	24 599	–	12 594	906	2 278	2 856	670	1 547	11	2 631	48 092	48 014
MINURSO	8 879	1 144	16 388	1 560	1 769	6 379	583	2 408	–	1 769	40 879	29 332
UNPF	–	–	1 193	–	–	–	–	–	–	–	1 193	46 780
UNTAES	39 953	10 867	41 868	4 162	2 828	826	705	6 401	215	12 050	119 875	265 069
UNPREDEP	20 249	908	8 124	1 425	2 939	1 270	728	1 335	76	2 557	39 611	50 405
UNMIBH	1 907	70 915	50 016	4 312	10 038	1 373	4 254	4 612	235	9 466	157 128	118 208
UNOMIG	3 754	–	8 633	855	2 643	2 517	355	1 086	44	1 041	20 928	15 937
UNMOT	1 875	–	4 291	150	1 930	1 389	945	727	2 086	538	13 931	5 667
UNAVEM	58 951	9 587	35 940	4 217	4 384	22 790	4 664	27 203	288	2 404	170 428	302 328
UNOMIL	701	–	5 812	963	150	281	224	1 138	–	759	10 028	26 085
UNSMIH	2 169	8 346	10 218	966	1 186	2 897	273	2 276	44	1 037	29 412	48 147
MINURCA	7 341	80	1 693	1 234	1 929	1 091	1 188	2 988	41	–	17 585	–
Total	**288 650**	**102 082**	**240 819**	**26 124**	**44 858**	**45 743**	**17 018**	**67 737**	**3 055**	**43 261**	**879 347**	**1 160 067**

[a] Comparative column changed to include currently active missions. MINUGUA and UNAMIR are considered completed missions during the present reporting period.

Statement II

Summary of United Nations peacekeeping operations[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	Total active operations	*Peacekeeping Reserve Fund, programme support and Logistics Base*	*Total completed operations*	*All peacekeeping fund eliminations*	*Total*	
					1998	*1997*
Assets						
Cash and term deposits	469 686	110 069	177 830		757 585	894 483
Assessed contributions receivable from Member States[b]	1 206 602	278	533 041		1 739 921	2 180 723
Special accounts for unpaid assessed contributions	55 552	–	11 962		67 514	67 514
Voluntary contributions receivable	12 296	–	362		12 658	7 035
Accounts receivable from Member States	2 280	–	11		2 291	215
Other accounts receivable	22 060	647	5 754		28 461	46 942
Inter-fund balances receivable	17 235	11 459	25 895		54 589	16 632
Due from other peacekeeping funds	–	5 598	75 000	(80 598)	–	–
Due from United Nations General Fund	–	57 601	–		57 601	57 601
Deferred charges and other assets	22 369	438	7 496		30 303	49 663
Total assets	**1 808 080**	**186 090**	**837 351**	**(80 598)**	**2 750 923**	**3 320 808**
Liabilities						
Contribution or payments received in advance	424	–	–		424	5 220
Unliquidated obligations	935 681	4 954	274 047		1 214 682	1 564 789
Accounts payable to Member States	89 829	–	243 303		333 132	312 328
Other accounts payable	14 111	1 344	612		16 067	23 125
Inter-fund balances payable	60 687	–	3 915		64 602	69 936
Due to other peacekeeping funds	28 755	–	51 843	(80 598)	–	–
Due to United Nations General Fund	–	–	–		–	7 500
Due to United Nations special account	–	–	3 329		3 329	3 329
Due to United Nations bond account	–	–	44 048		44 048	44 048
Due to International Tribunal for the Former Yugoslavia	–	–	–		–	21 793
Due to International Criminal Tribunal for Rwanda	–	–	–		–	11 987
Voluntary contributions held in suspense	11 178	–	–		11 178	11 177
Deferred credits and other liabilities	4 984	–	16 427		21 411	18 992
Total liabilities	**1 145 648**	**6 298**	**637 524**	**(80 598)**	**1 708 872**	**2 094 224**

	Total active operations	Peacekeeping Reserve Fund, programme support and Logistics Base	Total completed operations	All peacekeeping fund eliminations	Total 1998	Total 1997
Reserves and fund balances						
Operating reserves	–	5 000	–		5 000	5 000
Working capital funds	–	150 000	–		150 000	150 000
Authorized retained surplus	132 487	–	–		132 487	108 267
Cumulative surplus (deficit)	529 945	24 792	199 827		754 564	963 317
Total reserves and fund balances	**662 432**	**179 792**	**199 827**		**1 042 051**	**1 226 584**
Total liabilities, reserves and fund balances	**1 808 080**	**186 090**	**837 351**	**(80 598)**	**2 750 923**	**3 320 808**

[a] See note 5.

[b] Includes assessed contributions unpaid irrespective of collectability.

The accompanying notes are an integral part of the financial statements.

Statement III

Summary of United Nations peacekeeping operations[a]

Statement of cash flows for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997-30 June 1998	*1 July 1996-30 June 1997*
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure (statement I)	99 136	440 526
(Increase) decrease in contributions receivable	435 179	(106 903)
(Increase) decrease in other accounts receivable	16 405	58 102
(Increase) decrease in other assets	19 360	4 779
Increase (decrease) in contributions or payments received in advance	(4 796)	2 903
Increase (decrease) in unliquidated obligations	(350 107)	18 728
Increase (decrease) in accounts payable	(27 534)	(38 465)
Increase (decrease) in other liabilities	2 419	(129 323)
Less interest income	(46 137)	(49 136)
Net cash from operating activities	**143 925**	**201 211**
Cash flows from investing and financing activities		
(Increase) decrease in inter-fund balances receivable	(37 957)	(8 289)
Increase (decrease) in inter-fund balances payable	(5 334)	(29 297)
Plus interest income	46 137	49 136
Net cash from investing and financing	**2 846**	**11 550**
Cash flows from other sources		
Savings on or cancellation of prior period obligations	25 666	42 690
Transfers (to) from other funds	2 582	(34 038)
Credits to Member States	(312 947)	(196 230)
Other adjustments to reserves and fund balances	1 030	(4)
Net cash from other sources	**(283 669)**	**(187 582)**
Net increase (decrease) in cash and term deposits	(136 898)	25 179
Cash and term deposits, beginning of period	894 483	869 304
Cash and term deposits, end of period	**757 585**	**894 483**

[a] See note 5.

The accompanying notes are an integral part of the financial statements.

Statement IV

United Nations Peacekeeping Force in Cyprus (UNFICYP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Assessed contributions[b]	29 364	24 230
Voluntary contributions[c]	23 393	24 101
Interest income	1 035	1 181
Other/miscellaneous income	155	40
Total income	**53 947**	**49 552**
Expenditure (schedule 4.1)		
Total expenditure[d]	**52 699**	**44 958**
Excess (shortfall) of income over expenditure	**1 248**	**4 594**
Prior period adjustments	(21)	—
Net excess (shortfall) of income over expenditure	**1 227**	**4 594**
Savings on or cancellation of prior period obligations	164	16
Reserves and fund balances, beginning of period[e]	14 777	10 167
Reserves and fund balances, end of period	**16 168**	**14 777**

Statement IV (concluded)

United Nations Peacekeeping Force in Cyprus (UNFICYP)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	20 375	24 003
Assessed contributions receivable from Member States[b]	15 678	13 564
Voluntary contributions receivable from Member States[f]	6 785	6 673
Accounts receivable from Member States	326	72
Other accounts receivable	421	899
Deferred charges	139	(22)[g]
Inter-office transactions pending processing	470	479[g]
Total assets	**44 194**	**45 668**
Liabilities		
Contributions or payments received in advance	394	395
Unliquidated obligations — current period	17 247	17 762
Unliquidated obligations — prior periods	6 727	8 627
Accounts payable to Member States	1 316	1 368
Other accounts payable	663	659
Inter-fund balances payable	1 680	2 080
Total liabilities	**28 026**	**30 891**
Reserves and fund balances		
Cumulative surplus	16 168	14 777
Total reserves and fund balances	**16 168**	**14 777**
Total liabilities, reserves and fund balances	**44 194**	**45 668**

[a] See note 2 (b).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] The income from voluntary contributions consists of $16,892,733 from Cyprus and $6,500,000 from Greece.

[d] An additional amount of $724,700 is included for logistical support costs relating to the prior period, 1 July 1996 to 30 June 1997, and $1,384,333 for logistical claims of the United Kingdom of Great Britain and Northern Ireland from 1995 for which assessment was issued during the current period.

[e] For the period from 27 March 1964 to 15 June 1993, obligations recorded in the Cyprus account are limited to the availability of funds in the special account through voluntary contributions. From the inception of the mission to 30 June 1998, the cumulative unrecorded obligations total $186,550,506. The comparable figure as at 30 June 1997 was $193,170,757.

[f] Represents voluntary contributions receivable from Austria ($2,707,500), Canada ($103,105), Denmark ($2,059,209), the Netherlands ($125,000) and Sweden ($1,647,796) for the period prior to 15 June 1993. These contributions will be offset against government claims for reimbursement of costs in respect of the Force in Cyprus. In addition, includes $215,800 from Cyprus for an additional appropriation for the period from 1 July 1996 to 30 June 1997 as per General Assembly resolution 52/241 of 26 June 1998.

[g] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 4.1

United Nations Peacekeeping Force in Cyprus

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military contingents				
Standard troop costs, clothing and equipment	16 151	5 308	10 842	16 150
Welfare	327	265	48	313
Rations	2 296	1 580	734	2 314
Rotation and repatriation of troops	2 520	1 775	740	2 515
Other allowances	575	525	49	574
Contingent-owned equipment	1 440		1 441	1 441
Death and disability compensation	200	—	200	200
Subtotal, military contingents	**23 509**	**9 453**	**14 054**	**23 507**
Civilian police	235	226	9	235
Civilian personnel				
International and local staff	13 495	13 094	223	13 317
Premises/accommodation/infrastructure	1 453	1 009	444	1 453
Transport operations				
Purchase of vehicles	165	1	165	166
Rental of vehicles	1 023	901	132	1 033
Workshop equipment	16	6	8	14
Spare parts, repairs and maintenance	594	393	193	586
Subtotal, transport operations	**1 798**	**1 301**	**498**	**1 799**
Air operations	978	747	231	978
Communications				
Communications equipment	237	105	135	240
Spare parts and supplies	178	85	90	175
Commercial communications	213	142	71	213
Subtotal, communications	**628**	**332**	**296**	**628**
Other equipment	600	285	314	599
Supplies and services	7 432	6 299	1 133	7 432
Freight	142	99	43	142
Special programmes				
Training programmes	15	13	2	15
United Nations Logistics Base, Brindisi	655	655	—	655
Programme support costs	1 939	1 939	—	1 939
Total	**52 879**	**35 452**	**17 247**	**52 699**

Statement V

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Assessed contributions[b]	33 616	32 255
Interest income	1 977	1 971
Other/miscellaneous income	18	58
Total income	**35 611**	**34 284**
Expenditure (schedule 5.1)		
Total expenditure	**32 531**	**32 393**
Excess (shortfall) of income over expenditure	**3 080**	**1 891**
Prior period adjustments	5	—
Net excess (shortfall) of income over expenditure	**3 085**	**1 891**
Savings on or cancellation of prior period obligations	530	1 137
Credits returned to Member States[c]	(6 229)	(1 044)
Reserves and fund balances, beginning of period	63 347	61 363
Reserves and fund balances, end of period	**60 733**	**63 347**

Statement V (concluded)

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits[d]	35 429	37 690
Assessed contributions receivable from Member States[c]	14 888	15 338
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A	35 987	35 987
Accounts receivable from Member States	128	132
Other accounts receivable	886	787
Deferred charges	178	172[e]
Inter-office transactions pending processing	237	74[e]
Total assets	**87 733**	**90 180**
Liabilities		
Contributions or payments received in advance	12	382
Unliquidated obligations – current period	14 718	15 360
Unliquidated obligations – prior periods	6 174	5 926
Accounts payable to Member States	3 244	2 824
Other accounts payable	1 592	187
Inter-fund balances payable	1 260	2 148
Total liabilities	**27 000**	**26 827**
Reserves and fund balances		
Authorized retained surplus[f]	49 609	49 609
Cumulative surplus	11 124	13 738
Total reserves and fund balances	**60 733**	**63 347**
Total liabilities, reserves and fund balances	**87 733**	**90 174**

[a] See notes 2 (a) and 3.

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Under the terms of General Assembly resolutions 51/232 of 13 June 1997 and 52/236 of 26 June 1998, the total assessment on Member States was reduced by the amount of $2,358,000, representing the surplus balance for the period from 1 December 1993 to 30 November 1994, by the amount of $1,129,300, representing the unencumbered balance for the period ending 30 June 1996, by the amount of $1,071,000, representing the surplus balance for the period from 1 December 1994 to 30 November 1995 and by the amount of $1,671,000, representing interest income for the period from 1 December 1994 to 30 November 1995.

[d] Includes $337,245 equivalent of non-convertible Syrian pounds.

[e] Reclassified to conform to current presentation.

[f] See note 6.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

United Nations Disengagement Observer Force

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military contingents				
Standard troop cost, clothing and equipment	12 821	4 275	8 546	12 821
Welfare	221	196	26	222
Rations	2 026	1 447	570	2 017
Emplacement, rotation and repatriation	1 220	785	396	1 181
Other allowances	1 451	767	592	1 359
Contingent-owned equipment	421	—	421	421
Death and disability compensation	300	—	300	300
Subtotal, military contingents	**18 460**	**7 470**	**10 851**	**18 321**
Civilian personnel				
International and local staff	6 035	5 410	421	5 831
Premises/accommodation/infrastructure	1 468	670	734	1 404
Transport operations				
Purchase of vehicles	1 081	49	803	852
Workshop equipment	100	29	67	96
Spare parts, repairs and maintenance	1 928	1 135	544	1 679
Subtotal, transport operations	**3 109**	**1 213**	**1 414**	**2 627**
Communications				
Communications equipment	301	29	256	285
Spare parts and supplies	284	29	133	162
Commercial communications	61	69	18	87
Subtotal, communications	**646**	**127**	**407**	**534**
Other equipment	672	270	388	658
Supplies and services	1 325	868	389	1 257
Freight	194	78	114	192
United Nations Logistics Base, Brindisi	459	459	—	459
Programme support costs	1 248	1 248	—	1 248
Total	**33 616**	**17 813**	**14 718**	**32 531**

Statement VI

United Nations Interim Force in Lebanon (UNIFIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997-30 June 1998	*1 July 1996-30 June 1997*
Income[b]		
Assessed contributions[c]	124 970	125 723
Interest income	3 969	1 696
Other/miscellaneous income	3 018	290
Total income	**131 957**	**127 709**
Expenditure (schedule 6.1)		
Total expenditure	**125 027**	**126 744**
Excess (shortfall) of income over expenditure	**6 930**	**965**
Savings on or cancellation of prior periods obligations	2 144	1 481
Credits returned to Member States[d]	(2 863)	(9 335)
Other adjustments to reserve and fund balance[e]	1 030	–
Reserves and fund balances, beginning of period	113 503	120 392
Reserves and fund balances, end of period	**120 744**	**113 503**

Statement VI (concluded)

United Nations Interim Force in Lebanon (UNIFIL)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	98 393	37 474
Assessed contributions receivable from Member States[c]	112 735	254 577
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A	19 565	19 565
Accounts receivable from Member States[e]	1 774	–
Other accounts receivable	1 641	497
Deferred charges	536	798
Inter-office transactions pending processing	217	–
Total assets	**234 861**	**312 911**
Liabilities		
Unliquidated obligations – current period	55 697	61 950
Unliquidated obligations – prior periods	24 529	27 239
Accounts payable to Member States	11 456	86 094
Other accounts payable	5 590	6 953
Voluntary contribution held in suspense[f]	11 178	11 177
Inter-fund balances payable	3 428	4 899
Deferred credits	2 239	1 096
Total liabilities	**114 117**	**199 408**
Reserves and fund balances		
Authorized retained surplus[g]	82 878	82 878
Cumulative surplus	37 866	30 625
Total reserves and fund balances	**120 744**	**113 503**
Total liabilities, reserves and fund balances	**234 861**	**312 911**

[a] See notes 2 (a) and 3.

[b] Excludes voluntary contribution in kind from Germany of $76,810 for which no budgetary provisions were made.

[c] Includes assessed contributions unpaid irrespective of collectability.

[d] Under the terms of General Assembly resolution 51/233 of 13 June 1997, the total assessments on Member States were reduced by $2,863,491, representing the unencumbered balance of the period ending on 30 June 1996.

[e] In accordance with General Assembly resolutions 51/233 of 13 June 1997 and 52/237 of 26 June 1998, the costs resulting from the incident at Qana, totalling $1,773,618 shall be borne by Israel; $1,030,640 of that amount is recorded as a prior period adjustment since it had previously been recorded as an expenditure.

[f] Received from Cyprus, Kuwait, Luxembourg, Oman, the Seychelles and Switzerland.

[g] See note 7.

The accompanying notes are an integral part of the financial statements.

Schedule 6.1
United Nations Interim Force in Lebanon
Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military contingents				
Standard troop costs	55 881	18 403	37 478	55 881
Welfare	810	702	108	810
Rations	7 435	6 575	900	7 475
Emplacement, rotation and repatriation of troops	5 068	4 198	1 034	5 232
Other allowances	6 140	3 354	2 581	5 935
Contingent-owned equipment	111	–	111	111
Death and disability compensation	1 000	–	1 000	1 000
Subtotal, military contingents	**76 445**	**33 232**	**43 212**	**76 444**
Civilian personnel				
International and local staff	24 793	24 012	889	24 901
Premises/accommodation/infrastructure	2 517	1 170	1 347	2 517
Transport operations				
Purchase of vehicles	1 852	145	1 707	1 852
Workshop equipment	181	1	116	117
Spare parts, repairs and maintenance	6 325	2 279	4 110	6 389
Subtotal, transport operations	**8 358**	**2 425**	**5 933**	**8 358**
Air operations	1 143	76	1 020	1 096
Communications				
Communications equipment	633	218	416	634
Spare parts and supplies	365	125	240	365
Workshop and test equipment	81	23	57	80
Commercial communications	187	93	95	188
Subtotal, communications	**1 266**	**459**	**808**	**1 267**
Other equipment	2 142	833	1 309	2 142
Supplies and services	3 224	2 164	1 057	3 221
Freight	374	251	122	373
Programme support costs	4 708	4 708	–	4 708
Total	**124 970**	**69 330**	**55 697**	**125 027**

Statement VII

United Nations Iraq-Kuwait Observation Mission (UNIKOM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Assessed contributions[b]	18 422	18 761
Voluntary contributions[c]	33 066	38 375
Interest income	2 892	2 430
Other/miscellaneous income[d]	1 051	232
Total income	**55 431**	**59 798**
Expenditure (schedule 7.1)		
Total expenditure	**48 092**	**48 014**
Excess (shortfall) of income over expenditure	**7 339**	**11 784**
Prior period adjustments[e]	1 383	(3)
Net excess (shortfall) of income over expenditure	**8 722**	**11 781**
Savings on or cancellation of prior period obligations	892	3 350
Credits returned to Member States[f]	(6 229)	(5 151)
Reserves and fund balances, beginning of period	28 410	18 430
Reserves and fund balances, end of period	**31 795**	**28 410**

Statement VII (concluded)

United Nations Iraq-Kuwait Observation Mission (UNIKOM)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	43 336	49 329
Assessed contributions receivable from Member States[b]	11 102	11 350
Voluntary contributions receivable from Member States	5 511	-
Other accounts receivable	547	545
Deferred charges	195	208
Total assets	**60 691**	**61 432**
Liabilities		
Contributions or payments received in advance	18	33
Unliquidated obligations — current period	15 968	17 067
Unliquidated obligations — prior periods	10 254	10 045
Accounts payable to Member States	548	1 121
Other accounts payable	260	238
Inter-fund balances payable	1 716	3 794
Deferred credits	97	17[g]
Inter-office transactions pending processing	35	707[g]
Total liabilities	**28 896**	**33 022**
Reserves and fund balances		
Cumulative surplus (deficit)	31 795	28 410
Total reserves and fund balances	**31 795**	**28 410**
Total liabilities, reserves and fund balances	**60 691**	**61 432**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Includes $33,066,200 from Kuwait and $165 from Cyprus.

[d] Includes $705,191 representing refund of monthly subsistence allowance overpayments.

[e] Represents voluntary contribution from Kuwait for the period from 1 May to 30 June 1997 received in October 1997.

[f] Under the terms of General Assembly resolutions 51/234 of 13 June 1997 and 52/238 of 26 June 1998, the total assessment on Member States was reduced by $6,229,000, representing the unencumbered balance for the period from 1 January 1996 to 30 June 1997.

[g] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 7.1
United Nations Iraq-Kuwait Observation Mission
Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	7 067	6 681	375	7 056
Military contingents				
Standard troop costs, clothing and equipment	10 829	3 666	7 162	10 828
Welfare	284	226	11	237
Rations	2 170	1 419	542	1 961
Emplacement, rotation and repatriation	1 767	935	412	1 347
Other allowances	1 184	666	511	1 177
Contingent-owned equipment	1 679	–	1 673	1 673
Death and disability compensation	320	–	320	320
Subtotal, military contingents	**18 233**	**6 912**	**10 631**	**17 543**
Civilian personnel				
International and local staff	14 578	12 392	202	12 594
Premises/accommodation/infrastructure	1 029	475	431	906
Transport operations				
Purchase of vehicles	570	194	344	538
Workshop equipment	30	16	12	28
Spare parts, repairs and maintenance	1 698	1 031	681	1 712
Subtotal, transport operations	**2 298**	**1 241**	**1 037**	**2 278**
Air operations	3 074	756	2 100	2 856
Communications				
Communications equipment	448	76	355	431
Spare parts and supplies	138	41	46	87
Commercial communications	217	79	73	152
Subtotal, communications	**803**	**196**	**474**	**670**
Other equipment	411	153	232	385
Supplies and services	1 274	654	449	1 103
Freight	68	24	35	59
Special programmes				
Training programmes	12	9	2	11
Mine-clearing programmes	10	–	–	–
Subtotal, special programmes	**22**	**9**	**2**	**11**
United Nations Logistics Base, Brindisi	679	679	–	679
Programme support costs	1 952	1 952	–	1 952
Total	**51 488**	**32 124**	**15 968**	**48 092**

Statement VIII

United Nations Mission for the Referendum in Western Sahara (MINURSO)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Assessed contributions[b]	47 402	31 902
Voluntary contributions	1	–
Interest income	95	253
Other/miscellaneous income	54	640
Total income	**47 552**	**32 795**
Expenditure (schedule 8.1)		
Total expenditure	**40 879**	**29 332**
Excess (shortfall) of income over expenditure	**6 673**	**3 463**
Prior period adjustments	(740)[c]	41
Net excess (shortfall) of income over expenditure	**5 933**	**3 504**
Savings on or cancellation of prior period obligations	352	512
Credits returned to Member States[d]	(21 963)	–
Reserves and fund balances, beginning of period	38 215	34 199
Reserves and fund balances, end of period	**22 537**	**38 215**

Statement VIII (concluded)

United Nations Mission for the Referendum in Western Sahara (MINURSO)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*19*
Assets		
Cash and term deposits	3 652	1 04
Assessed contributions receivable from Member States[b]	63 947	58 67
Other accounts receivable	632	37
Deferred charges	311	61
Inter-office transactions pending processing	107	28
Total assets	**68 649**	**60 98**
Liabilities		
Unliquidated obligations — current period	9 464	4 19
Unliquidated obligations — prior periods	12 421	10 57
Accounts payable to Member States	665	2
Other accounts payable	1 937	40
Inter-fund balances payable	5 249	6 07
Due to United Nations general fund	–	1 50
Due to United Nations Mission in Haiti	11 000	
Due to United Nations Assistance Mission for Rwanda	5 300	
Deferred credits	40	
Inter-office transactions pending processing	36	
Total liabilities	**46 112**	**22 76**
Reserves and fund balances		
Cumulative surplus	22 537	38 21
Total reserves and fund balances	**22 537**	**38 21**
Total liabilities, reserves and fund balances	**68 649**	**60 98**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Represents exchange loss adjustments.

[d] Under the terms of General Assembly resolutions 51/2 B of 13 June 1997 and 52/228 B of 26 June 1998, the total assessment on Member States was reduced by $19,392,900 and $2,570,300, representing the unencumbered balances for the periods from 1 January to 30 June 1996 and 1 July 1996 to 30 June 1997 respectively.

[e] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 8.1
United Nations Mission for the Referendum in Western Sahara
Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	5 319	4 854	338	5 192
Military contingents				
Standard troop cost, clothing and equipment	905	2	411	413
Welfare	9	2	–	2
Rations	1 187	693	420	1 113
Emplacement, rotation and repatriation	840	170	661	831
Other allowances	185	176	–	176
Contingent-owned equipment	1 015	–	1 015	1 015
Death and disability compensation	137	–	137	137
Subtotal, military contingents	**4 278**	**1 043**	**2 644**	**3 687**
Civilian police	1 218	1 050	94	1 144
Civilian personnel				
International and local staff	21 323	15 458	796	16 254
Government-provided personnel	157	125	9	134
Subtotal, civilian personnel	**21 480**	**15 583**	**805**	**16 388**
Premises/accommodation/infrastructure	1 784	665	895	1 560
Transport operations				
Purchase of vehicles	838	177	628	805
Rental of vehicles	27	–	27	27
Workshop equipment	20	16	–	16
Spare parts, repairs and maintenance	937	633	288	921
Subtotal, transport operations	**1 822**	**826**	**943**	**1 769**
Air operations	6 591	3 578	2 801	6 379
Communications				
Communications equipment	81	31	50	81
Spare parts and supplies	162	52	45	97
Commercial communications	375	372	33	405
Subtotal, communications	**618**	**455**	**128**	**583**
Other equipment	655	402	238	640
Supplies and services	1 041	781	202	983
Freight	787	409	376	785
Special programmes				
Mine-clearing programmes	40	–	–	–
Subtotal, special programmes	**40**	–	–	–
United Nations Logistics Base, Brindisi	647	647	–	647
Programme support costs	1 122	1 122	–	1 122
Total	**47 402**	**31 415**	**9 464**	**40 879**

Statement IX

United Nations Peace Forces (UNPF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997 30 June 1998	*1 July 1996 30 June 1997*
Income		
Assessed contribution[b]	–	316 698
Voluntary contribution[c]	4	2
Interest income	2 223	3 509
Other/miscellaneous income	3 075	19 324
Total income	**5 302**	**339 533**
Expenditure (schedule 9.1)[d]		
Total expenditure	**1 193**	**46 780**
Excess (shortfall) of income over expenditure	**4 109**	**292 753**
Prior period adjustments[e]	(4 461)	(3 921)
Net excess (shortfall) of income over expenditure	**(352)**	**288 832**
Savings on or cancellation of prior period obligations	1 864	671
Credits returned to Member States[f]	(87 793)	(114 335)
Transfer from (to) other funds[g]	1 850	(21 793)
Reserves and fund balances, beginning of period	327 541	174 166
Reserves and fund balances, end of period	**243 110**	**327 541**

Statement IX (concluded)

United Nations Peace Forces (UNPF)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	3 296	16 398
Assessed contributions receivable from Member States[b]	693 791	942 828
Other accounts receivable	8 148	5 703
Inter-fund balances receivable	14 422	–
Deferred charges	29	567[b]
Inter-office transactions pending processing	15 077	16 385[b]
Total assets	**734 763**	**981 881**
Liabilities		
Unliquidated obligations — current period	–	8 670
Unliquidated obligations — prior periods	448 250	551 040
Accounts payable to Member States	33 695	59 676
Other accounts payable	356	1 087
Inter-fund balances payable	–	12 074
Accounts payable to the International Tribunal for the Former Yugoslavia	–	21 793
Due to the United Nations Operation in Mozambique	8 000	–
Due to the United Nations Mission in Haiti	1 000	–
Deferred credits	352	–
Total liabilities	**491 653**	**654 340**
Reserves and fund balances		
Cumulative surplus	243 110	327 541
Total reserves and fund balances	**243 110**	**327 541**
Total liabilities, reserves and fund balances	**734 763**	**981 881**

[a] See note 2 (a).

[b] Includes assessed contributions irrespective of collectability.

[c] Cash contribution from Cyprus.

[d] The Advisory Committee on Administrative and Budgetary Questions, in its letter of 29 July 1997, concurred with the request of the Controller to utilize $1,199,200 to meet the cost of completing the liquidation of UNPF.

[e] Includes expenditures of $1,641,227 for salaries, $909,679 for troop payments and $1,909,708 for an adjustment to income.

[f] Under the terms of General Assembly resolution 51/12 B of 13 June 1997, the total assessment on Member States was reduced by $87,793,328, representing the unencumbered balance for the period ending 30 June 1996.

[g] Refers to an adjustment of $1,850,865 previously transferred to the International Tribunal for the Former Yugoslavia.

[h] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 9.1

United Nations Peace Forces

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*expend*
Civilian personnel			
International and local staff	1 142	1 193	1
Premises/accommodation/infrastructure	4	–	
Transport operations			
Spare parts, repairs and maintenance	21	–	
Communications			
Spare parts and supplies	2	–	
Commercial communications	10	–	
Subtotal, communications	**12**	–	
Supplies and services	20	–	
Total	**1 199**	**1 193**	**1**

Statement X

United Nations Transitional Administration for Eastern Slavonia, Baranja and Weste .a Sirmium (UNTAES) and the United Nations Civilian Police Support Group[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997-30 June 1998	*1 July 1996-30 June 1997*
Income[b]		
Assessed contributions[c]	134 825	280 968
Voluntary contributions[d]	298	–
Interest income	6 722	6 142
Other/miscellaneous income[e]	3 285	99
Total income	**145 130**	**287 209**
Expenditure (schedules 10.1 and 10.2)		
Total expenditure	**119 875**	**265 069**
Net excess (shortfall) of income over expenditure	**25 255**	**22 140**
Savings on or cancellation of prior period obligations	7 088	2 620
Credits returned to Member States[f]	(34 726)	–
Reserves and fund balances, beginning of period	49 851	25 091
Reserves and fund balances, end of period	**47 468**	**49 851**

Statement X (concluded)

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	92 430	154 152
Assessed contributions receivable from Member States[c]	50 621	56 265
Other accounts receivable	828	915
Deferred charges	97	612
Total assets	**143 976**	**211 944**
Liabilities		
Unliquidated obligations — current period	27 637	134 943
Unliquidated obligations — prior periods	59 528	15 089
Accounts payable to Member States	5 212	564
Other accounts payable	207	1 082
Inter-fund balance payable	3 907	10 415
Inter-office transactions pending processing	17	-
Total liabilities	**96 508**	**162 093**
Reserves and fund balances		
Cumulative surplus	47 468	49 851
Total reserves and fund balances	**47 468**	**49 851**
Total liabilities, reserves and fund balances	**143 976**	**211 944**

[a] See note 2 (a).

[b] Excludes voluntary contribution in kind for personnel provided by Governments amounting to $489,600.

[c] Includes assessed contributions unpaid irrespective of collectability.

[d] Represents voluntary contribution in kind of $297,500 from Belgium for which budgetary provisions were made.

[e] Includes income from the sale of used equipment amounting to $3,112,752.

[f] Return of credits to Member States consisting of $18,826,400 from the unencumbered balance for the period from 1 January to 30 June 1996 and $15,899,400 for the period from 1 January 1997 to 30 June 1997, as per General Assembly resolutions 51/153 B of 13 June 1997 and 52/244 of 26 June 1998 respectively.

The accompanying notes are an integral part of the financial statements.

Schedule 10.1

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	2 244	2 044	33	2 077
Military contingents				
Standard troop costs, clothing and equipment	14 613	11 808	2 765	14 573
Welfare	192	92	–	92
Rations	2 766	2 494	–	2 494
Daily allowance	603	559	–	559
Emplacement, rotation and repatriation	1 639	365	546	911
Clothing and equipment allowance	1 020	805	187	992
Contingent-owned equipment	17 500	–	17 500	17 500
Death and disability compensation	755	–	755	755
Subtotal, military contingents	**39 088**	**16 123**	**21 753**	**37 876**
Civilian police	8 591	7 827	123	7 950
Civilian personnel				
International and local staff	41 754	35 126	1 598	36 724
United Nations Volunteers	1 874	1 253	364	1 617
Subtotal, civilian personnel	**43 628**	**36 379**	**1 962**	**38 341**
Premises/accommodation/infrastructure	5 603	3 210	799	4 009
Transport operations				
Rental of vehicles	50	29	2	31
Spare parts, repairs and maintenance	2 242	415	169	584
Petrol, oil and lubricants	1 661	1 203	247	1 450
Vehicle insurance	594	329	265	594
Subtotal, transport operations	**4 547**	**1 976**	**683**	**2 659**
Air operations	1 541	823	3	826
Communications				
Communications equipment	297	119	20	139
Commercial communications	771	272	236	508
Subtotal, communications	**1 068**	**391**	**256**	**647**
Other equipment	310	79	87	166
Supplies and services	1 834	1 056	631	1 687
Freight	5 767	3 672	762	4 434

	Allotment	*Disbursements*	*Unliquidated obligations*	*expend*
Special programmes				
Public information programmes	136	67	2	
Training programmes	28	10	2	
Mine-clearing programmes	134	–	134	
Subtotal, special programmes	**298**	77	**138**	
United Nations Logistics Base, Brindisi	1 774	1 774	–	
Programme support costs	10 276	10 276	–	1
Total	**126 569**	**85 707**	**27 230**	**11**

Schedule 10.2

United Nations Civilian Police Support Group

Expenditure for the period from 16 January 1998 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Civilian police	3 007	2 824	93	2 917
Civilian personnel				
International and local staff	4 092	3 412	115	3 527
Premises/accommodation/infrastructure	187	76	77	153
Transport operations				
Spare parts, repairs and maintenance	49	10	29	39
Petrol, oil and lubricants	156	66	32	98
Vehicle insurance	32	32	–	32
Subtotal, transport operations	**237**	**108**	**61**	**169**
Communications				
Spare parts and supplies	42	2	–	2
Commercial communications	89	25	31	56
Subtotal, communications	**131**	**27**	**31**	**58**
Supplies and services	329	85	29	114
Special programmes				
Public information programmes	17	–	–	–
Total	**8 000**	**6 532**	**406**	**6 938**

Statement XI

United Nations Preventive Deployment Force (UNPREDEP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Assessed contributions[b]	46 507	51 670
Voluntary contribution[c]	1	1
Interest income	2 545	1 355
Other/miscellaneous income	850	32
Total income	**49 903**	**53 058**
Expenditure (schedule 11.1)		
Total expenditure	**39 611**	**50 405**
Net excess (shortfall) of income over expenditure	**10 292**	**2 653**
Savings on or cancellation of prior period obligations	1 068	–
Credits returned to Member States[d]	(6 525)	–
Reserves and fund balances, beginning of period	8 523	5 870
Reserves and fund balances, end of period	**13 358**	**8 523**

Statement XI (concluded)

United Nations Preventive Deployment Force (UNPREDEP)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	61 928	35 355
Assessed contributions receivable from Member States[b]	11 103	13 029
Other accounts receivable	314	149
Deferred charges	18	48[c]
Inter-office transactions pending processing	678	765[c]
Total assets	**74 041**	**49 346**
Liabilities		
Unliquidated obligations — current period	14 477	30 798
Unliquidated obligations — prior periods	20 238	5 238
Accounts payable to Member States	13 061	3 988
Other accounts payable	13	757
Inter-fund balances payable	12 894	42
Total liabilities	**60 683**	**40 823**
Reserves and fund balances		
Cumulative surplus	13 358	8 523
Total reserves and fund balances	**13 358**	**8 523**
Total liabilities, reserves and fund balances	**74 041**	**49 346**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Cash contribution from Cyprus.

[d] Under the terms of General Assembly resolutions 51/154 B of 13 June 1997 and 52/245 of 26 June 1998, the total assessment on Member States was reduced by $5,259,700 and $1,264,400 respectively, representing the unencumbered balances for the periods ending 30 June 1996 and 30 June 1997.

[e] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 11.1

United Nations Preventive Deployment Force

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	1 306	1 250	41	1 291
Military contingents				
Standard troop cost, clothing and equipment	10 564	5 303	5 261	10 564
Welfare	125	69	26	95
Rations	2 522	2 465	295	2 760
Emplacement, rotation and repatriation	1 135	553	66	619
Other allowances	1 140	589	429	1 018
Contingent-owned equipment	3 538	–	3 538	3 538
Death and disability compensation	364	–	364	364
Subtotal, military contingents	**19 388**	**8 979**	**9 979**	**18 958**
Civilian police	972	891	17	908
Civilian personnel				
International and local staff	10 500	7 698	426	8 124
Premises/accommodation/infrastructure	1 933	1 077	348	1 425
Transport operations				
Purchase of vehicles	685	–	430	430
Spare parts, repairs and maintenance	3 041	802	1 707	2 509
Subtotal, transport operations	**3 726**	**802**	**2 137**	**2 939**
Air operations	1 451	993	277	1 270
Communications				
Communications equipment	38	7	–	7
Spare parts and supplies	689	74	210	284
Commercial communications	578	94	343	437
Subtotal, communications	**1 305**	**175**	**553**	**728**
Other equipment	365	71	108	179
Supplies and services	1 546	570	258	828
Freight	1 296	26	302	328
Special programmes				
Public information programmes	121	43	31	74
Training programmes	40	2	–	2
Subtotal, special programmes	**161**	**45**	**31**	**76**
United Nations Logistics Base, Brindisi	650	650	–	650
Programme support costs	1 907	1 907	–	1 907
Total	**46 506**	**25 134**	**14 477**	**39 611**

Statement XII

United Nations Mission in Bosnia and Herzegovina (UNMIBH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Assessed contributions[b]	178 881	151 240
Voluntary contributions[c]	2	4
Interest income	2 056	1 898
Other/miscellaneous income	4 597	1 236
Total income	**185 536**	**154 378**
Expenditure (schedule 12.1)		
Total expenditure	**157 128**	**118 208**
Net excess (shortfall) of income over expenditure	**28 408**	**36 170**
Savings on or cancellation of prior period obligations	2 883	20
Credits returned to Member States[d]	(39 549)	–
Reserves and fund balances, beginning of period	46 380	10 190
Reserves and fund balances, end of period	**38 122**	**46 380**

Statement XII (concluded)

United Nations Mission in Bosnia and Herzegovina (UNMIBH)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	
Assets		
Cash and term deposits	23 653	35
Assessed contributions receivable from Member States[b]	54 441	29
Accounts receivable from Member States	52	
Other accounts receivable	3 833	2
Deferred charges	143	
Inter-office transactions pending processing	400	
Total assets	**82 522**	**68**
Liabilities		
Unliquidated obligations — current period	16 198	13
Unliquidated obligations — prior periods	6 412	3
Accounts payable to Member States	15 508	
Other accounts payable	1 820	
Inter-fund balances payable	3 764	4
Deferred credits	698	
Total liabilities	**44 400**	**22**
Reserves and fund balances		
Cumulative surplus	38 122	46
Total reserves and fund balances	**38 122**	**46**
Total liabilities, reserves and fund balances	**82 522**	**68**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Represents voluntary contribution in cash of $1,703 from Cyprus for which no budgetary provision was made.

[d] Under the terms of General Assembly resolutions 51/152 B of 13 June 1997 and 52/243 of 26 June 1998, the total assessment on Member States was reduced by $6,516,800 and $33,031,700 respectively, representing the unencumbered balance for the periods ending 30 June 1996 and 30 June 1997.

[e] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 12.1

United Nations Mission in Bosnia and Herzegovina

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	1 237	1 079	52	1 131
Military contingents				
Death and disability compensation	824	–	776	776
Civilian police	71 895	68 669	2 246	70 915
Civilian personnel				
International and local staff	68 109	48 478	1 538	50 016
Premises/accommodation/infrastructure	5 628	3 770	542	4 312
Transport operations				
Purchase of vehicles	11 660	1 383	5 426	6 809
Rental of vehicles	–	21	–	21
Spare parts, repairs and maintenance	6 125	2 330	878	3 208
Subtotal, transport operations	**17 785**	**3 734**	**6 304**	**10 038**
Air operations	3 384	814	559	1 373
Communications				
Communications equipment	578	514	681	1 195
Spare parts and supplies	998	313	833	1 146
Commercial communications	3 517	732	1 181	1 913
Subtotal, communications	**5 093**	**1 559**	**2 695**	**4 254**
Other equipment	1 048	457	581	1 038
Supplies and services	4 323	2 760	664	3 424
Freight	150	64	86	150
Special programmes				
Public information programmes	200	38	69	107
Training programmes	232	42	86	128
Subtotal, special programmes	**432**	**80**	**155**	**235**
United Nations Logistics Base, Brindisi	2 585	2 585	–	2 585
Programme support costs	6 881	6 881	–	6 881
Total	**189 374**	**140 930**	**16 198**	**157 128**

Statement XIII

United Nations Observer Mission in Georgia (UNOMIG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1*
Income		
Assessed contributions[b]	18 581	17 0
Voluntary contributions[c]	2 058	
Interest income	221	1
Other/miscellaneous income	10	
Total income	**20 870**	**17 3**
Expenditure (schedule 13.1)		
Total expenditure	**20 928**	**15 9**
Excess (shortfall) of income over expenditure	**(58)**	**1 3**
Prior period adjustments	–	3
Net excess (shortfall) of income over expenditure	**(58)**	**1 6**
Savings on or cancellation of prior period obligations	677	1 1
Credits returned to Member States[d]	(1 875)	(1 7
Reserves and fund balances, beginning of period	4 845	3 8
Reserves and fund balances, end of period	**3 589**	**4 8**

Statement XIII (concluded)

United Nations Observer Mission in Georgia (UNOMIG)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	4 797	4 743
Assessed contributions receivable from Member States[b]	6 639	6 343
Other accounts receivable	119	44
Deferred charges	52	97[c]
Inter-office transactions pending processing	136	128[c]
Total assets	**11 743**	**11 355**
Liabilities		
Contributions or payments received in advance	–	7
Unliquidated obligations — current period	4 169	2 255
Unliquidated obligations — prior periods	570	343
Accounts payable to Member States	1 062	958
Other accounts payable	15	122
Inter-fund balances payable	1 247	2 697
Due to United Nations Mission in Haiti	1 000	–
Deferred credits	91	128
Total liabilities	**8 154**	**6 510**
Reserves and fund balances		
Cumulative surplus (deficit)	3 589	4 845
Total reserves and fund balances	**3 589**	**4 845**
Total liabilities, reserves and fund balances	**11 743**	**11 355**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Voluntary contribution in kind of $2,057,600 from Switzerland for which budgetary provisions were made.

[d] Under the terms of General Assembly decision 51/236 of 13 June 1997 and 52/242 of 26 June 1998, the total assessment on Member States was reduced by $1,056,950 and $818,300 respectively, representing unencumbered balances for the period ending 30 June 1996 and 30 June 1997.

[e] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 13.1
United Nations Observer Mission in Georgia
Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	3 777	3 436	243	3 679
Military contingents				
Rations	10	–	8	8
Contingent-owned equipment	27	–	27	27
Death and disability compensation	40	–	40	40
Subtotal, military contingents	**77**	**–**	**75**	**75**
Civilian personnel				
International and local staff	9 527	8 214	419	8 633
Premises/accommodation/infrastructure	973	459	396	855
Transport operations				
Purchase of vehicles	1 764	11	1 684	1 695
Workshop equipment	32	20	20	40
Spare parts, repairs and maintenance	894	484	424	908
Subtotal, transport operations	**2 690**	**515**	**2 128**	**2 643**
Air operations	2 555	2 304	213	2 517
Communications				
Communications equipment	137	89	101	190
Spare parts and supplies	85	37	57	94
Commercial communications	139	71	–	71
Subtotal, communications	**361**	**197**	**158**	**355**
Other equipment	307	70	230	300
Supplies and services	561	311	145	456
Freight	333	202	128	330
Special programmes				
Public information programmes	42	10	29	39
Training programme	5	–	5	5
Subtotal, special programmes	**47**	**10**	**34**	**44**
United Nations Logistics Base, Brindisi	276	276	–	276
Programme support costs	765	765	–	765
Total	**22 249**	**16 759**	**4 169**	**20 928**

Statement XIV

United Nations Mission of Observers in Tajikistan (UNMOT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Assessed contributions[b]	15 000	7 479
Voluntary contributions[c]	1 340	–
Interest income	236	354
Other/miscellaneous income	34	19
Total income	**16 610**	**7 852**
Expenditure (schedule 14.1)		
Total expenditure	**13 931**	**5 667**
Excess (shortfall) of income over expenditure	**2 679**	**2 185**
Prior period adjustment[d]	(590)	–
Net excess (shortfall) of income over expenditure	**2 089**	**2 185**
Savings on or cancellation of prior period obligations	6	–
Credits returned to Member States[e]	(4 368)	–
Reserves and fund balances, beginning of period	6 330	4 145
Reserves and fund balances, end of period	**4 057**	**6 330**

Statement XIV (concluded)

United Nations Mission of Observers in Tajikistan (UNMOT)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	3 970	7 249
Assessed contributions receivable from Member States[b]	7 006	2 552
Other accounts receivable	154	45
Deferred charges	14	58
Total assets	**11 144**	**9 904**
Liabilities		
Unliquidated obligations — current period	3 535	1 009
Unliquidated obligations — prior periods	1 567	1 287
Accounts payable to Member States	308	9
Other accounts payable	534	287
Inter-fund balances payable	1 122	967
Deferred credits	19	14[f]
Inter-office transactions pending processing	2	1[f]
Total liabilities	**7 087**	**3 574**
Reserves and fund balances		
Cumulative surplus	4 057	6 330
Total reserves and fund balances	**4 057**	**6 330**
Total liabilities, reserves and fund balances	**11 144**	**9 904**

[a] See note 2 (a).

[b] Includes assessed contributions irrespective of collectability.

[c] Represents voluntary contribution in kind of $1,340,000 from the United States of America for which budgetary provisions have been made.

[d] Represents reimbursement of $590,264 to Germany for the voluntary contribution in cash which was not utilized during the mandate period from 16 June to 15 December 1995.

[e] Under the terms of General Assembly resolution 51/237 of 13 June 1997, the total assessment on Member States was reduced by $1,548,000 and $1,312,200, representing the unencumbered balance for the periods ending 15 December 1995 and 30 June 1996 respectively. Under resolution 52/229 B of 26 June 1998, the total assessment was reduced by $1,507,900, representing the unencumbered balance for the period ending 30 June 1997.

[f] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 14.1
United Nations Mission of Observers in Tajikistan
Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	1 850	1 693	129	1 822
Military contingents				
Rations	48	8	4	12
Death and disability compensation	33	–	33	33
Contingent-owned equipment	8	–	8	8
Subtotal, military contingents	**89**	**8**	**45**	**53**
Civilian personnel				
Civilian police	13	10	1	11
International and local staff	4 934	4 015	265	4 280
Subtotal, civilian personnel	**4 947**	**4 025**	**266**	**4 291**
Premises/accommodation/infrastructure	150	123	27	150
Transport operations				
Purchase of vehicles	1 459	338	1 070	1 408
Rental of vehicles	11	5	–	5
Workshop equipment	61	32	27	59
Spare parts, repairs and maintenance	429	198	260	458
Subtotal, transport operations	**1 960**	**573**	**1 357**	**1 930**
Air operations	1 455	1 123	266	1 389
Communications				
Communications equipment	468	109	409	518
Spare parts and supplies	75	32	61	93
Workshop equipment	6	–	12	12
Commercial communications	544	292	30	322
Subtotal, communications	**1 093**	**433**	**512**	**945**
Other equipment	585	190	329	519
Supplies and services	209	92	96	188
Freight	21	11	9	20
Special programmes				
Public information programmes	58	41	16	57
Assistance for disarmament and demobilization programmes	2 045	1 546	483	2 029
United Nations Logistics Base, Brindisi	230	230	–	230
Programme support costs	308	308	–	308
Total	**15 000**	**10 396**	**3 535**	**13 931**

Statement XV

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*[a]
Income		
Assessed contributions[b]	175 000	308 097
Voluntary contributions[c]	2	11
Interest income	3 876	6 531
Other/miscellaneous income[d]	4 533	10 465
Total income	**183 411**	**325 104**
Expenditure (schedule 15.1)		
Total expenditure	**170 428**	**302 328**
Excess (shortfall) of income over expenditure	**12 983**	**22 776**
Prior period adjustments[e,f]	(18 752)	–
Net excess (shortfall) of income over expenditure	**(5 769)**	**22 776**
Savings on or cancellation of prior period obligations	2 241	2 404
Credits returned to Member States[g]	(22 491)	(20 687)
Reserves and fund balances, beginning of period	72 180	67 687
Reserves and fund balances, end of period	**46 161**	**72 180**

Statement XV (concluded)

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*[b]
Assets		
Cash and term deposits	54 110	108 679
Assessed contributions receivable from Member States[c]	122 551	158 191
Other accounts receivable	3 851	2 554
Deferred charges	487	2 507
Inter-office transactions pending processing	1 171	2 477
Total assets	**182 170**	**274 408**
Liabilities		
Unliquidated obligations — current period	47 011	123 033
Unliquidated obligations — prior periods	82 897	57 914
Accounts payable to Member States	839	13 114
Other accounts payable	530	863
Inter-fund balances payable	3 668	6 198
Deferred credits	1 001	1 106
Inter-office transactions pending processing	63	–
Total liabilities	**136 009**	**202 228**
Reserves and fund balances		
Cumulative surplus	46 161	72 180
Total reserves and fund balances	**46 161**	**72 180**
Total liabilities, reserves and fund balances	**182 170**	**274 408**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Voluntary contribution from the Government of Cyprus.

[d] Of this amount, $4,218,134 represents refund of prior period expenditures.

[e] Includes expenditures of $2,204,300 for the period from 1 July 1996 to 30 June 1997 as per General Assembly resolution 52/8 C of 26 June 1998 authorizing use of the unencumbered balance from the period from 1 July 1996 to 30 June 1997.

[f] This amount includes the reversal of an assessment of $15,180,713 duplicated in June 1996 and an adjustment to miscellaneous income of $1,381,481, less other adjustment credits of $13,765.

[g] Under the terms of General Assembly resolutions 52/8 A of 31 October 1997 and 52/8 C of 26 June 1998, the total assessment on Member States was reduced by $18,926,500 and $3,564,300, representing the unencumbered balances for the periods from 1 January to 30 June 1996 and 1 July 1996 to 30 June 1997 respectively.

[h] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 15.1
United Nations Observer Mission in Angola
Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	5 164	4 840	217	5 057
Military contingents				
Standard troop costs, clothing and equipment	24 039	12 069	11 847	23 916
Welfare	289	267	–	267
Rations	12 053	11 833	398	12 231
Emplacement, rotation and repatriation	2 792	1 301	1 138	2 439
Other allowances	3 617	3 542	–	3 542
Contingent-owned equipment	10 548	–	10 548	10 548
Death and disability compensation	951	1	950	951
Subtotal, military contingents	**54 288**	**29 013**	**24 881**	**53 894**
Civilian police	9 921	9 112	475	9 587
Civilian personnel				
International and local staff	36 942	32 975	1 088	34 063
United Nations Volunteers	1 860	1 451	407	1 858
Government-provided personnel	20	5	14	19
Subtotal, civilian personnel	**38 821**	**34 431**	**1 509**	**35 940**
Premises/accommodation/infrastructure	4 248	3 211	1 006	4 217
Transport operations				
Purchase of vehicles	186	168	–	168
Rental of vehicles	762	692	62	754
Spare parts, repairs and maintenance	3 421	1 522	1 940	3 462
Subtotal, transport operations	**4 369**	**2 382**	**2 002**	**4 384**
Air operations	22 300	14 176	8 614	22 790
Communications				
Communications equipment	100	39	27	66
Spare parts and supplies	500	270	180	450
Commercial communications	4 237	3 207	941	4 148
Subtotal, communications	**4 837**	**3 516**	**1 148**	**4 664**

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Other equipment	942	313	238	551
Supplies and services	23 319	17 570	5 738	23 308
Freight	3 620	2 256	1 088	3 344
Special programmes				
Public information programmes	208	175	13	188
Training programmes	83	–	83	83
Mine-clearing programmes	467	10	–	10
Assistance for disarmament and demobilization	8	7	–	7
Subtotal, special programmes	**766**	**192**	**96**	**288**
United Nations Logistics Base, Brindisi	2 404	2 404	–	2 404
Total	**175 000**	**123 417**	**47 011**	**170 428**

Statement XVI

United Nations Observer Mission in Liberia (UNOMIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997-30 June 1998	*1 July 1996-30 June 1997*
Income		
Assessed contributions[b]	5 112	31 915
Interest income	514	657
Other/miscellaneous income	646	139
Total income	**6 272**	**32 711**
Expenditure (schedules 16.1 and 16.2)		
Total expenditure	**10 028**[c]	**26 085**
Excess (shortfall) of income over expenditure	**(3 756)**	**6 626**
Prior period adjustment	(233)	(23)
Net excess (shortfall) of income over expenditure	**(3 989)**	**6 603**
Savings on or cancellation of prior period obligations	90	33
Credits returned to Member States	–	(13 451)
Reserves and fund balances, beginning of period	14 052	20 867
Reserves and fund balances, end of period	**10 153**	**14 052**

Statement XVI (concluded)

United Nations Observer Mission in Liberia (UNOMIL)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	7 396	12 158
Assessed contributions receivable from Member States[b]	6 149	21 441
Other accounts receivable	339	1 875
Inter-fund balances receivable	2 813	–
Deferred charges	49	7[d]
Inter-office transactions pending processing	336	177[d]
Total assets	**17 082**	**35 658**
Liabilities		
Unliquidated obligations — current period	1 371	9 052
Unliquidated obligations — prior periods	4 818	4 200
Accounts payable to Member States	7	5 351
Other accounts payable	527	252
Inter-fund balances payable	–	2 751
Deferred credits	100	–
Inter-office transactions pending processing	106	–
Total liabilities	**6 929**	**21 606**
Reserves and fund balances		
Cumulative surplus	10 153	14 052
Total reserves and fund balances	**10 153**	**14 052**
Total liabilities, reserves and fund balances	**17 082**	**35 658**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] The amount of $3,273,800 from the appropriation for the period from 1 July 1996 to 30 June 1997 was utilized for the electoral process beginning in July 1997, as authorized by the Advisory Committee on Administrative and Budgetary Questions.

[d] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 16.1

United Nations Observer Mission in Liberia

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military observers	681	604	56	660
Military contingents				
Death and disability compensation	41	–	41	41
Civilian personnel				
International and local staff	4 816	4 582	198	4 780
United Nations Volunteers	53	23	29	52
Subtotal, civilian personnel	**4 869**	**4 605**	**227**	**4 832**
Premises/accommodation/infrastructure	927	874	37	911
Transport operations				
Rental of vehicles	19	4	–	4
Spare parts, repairs and maintenance	93	81	10	91
Subtotal, transport operations	**112**	**85**	**10**	**95**
Air operations	243	214	3	217
Communications				
Spare parts and supplies	31	24	4	28
Commercial communications	202	82	113	195
Subtotal, communications	**233**	**106**	**117**	**223**
Other equipment	16	15	1	16
Supplies and services	277	220	37	257
Freight	795	445	343	788
Programme support costs	759	759	–	759
Total	**8 953**	**7 927**	**872**	**8 799**

Schedule 16.2
United Nations Observer Mission in Liberia
Electoral process
Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Civilian personnel				
International and local staff	533	179	42	221
United Nations Volunteers	801	93	232	325
Civilian electoral observers	1 276	221	213	434
Subtotal, civilian personnel	**2 610**	**493**	**487**	**980**
Premises/accommodation/infrastructure	119	52	–	52
Transport operations				
Rental of vehicles	64	55	–	55
Air operations	347	52	12	64
Communications				
Commercial communications	1	1	–	1
Other equipment	32	–	–	–
Supplies and services	101	77	–	77
Total	**3 274**	**730**	**499**	**1 229**

Statement XVII

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 t 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 Ju*
Income		
Assessed contributions[b]	28 319	
Voluntary contributions[c]	2 000	
Interest income	500	
Other/miscellaneous income	400	
Total income	**31 219**	
Expenditure (schedules 17.1, 17.2 and 17.3)		
Total expenditure	**29 412**	
Net excess (shortfall) of income over expenditure	**1 807**	
Savings on or cancellation of prior period obligations	4	
Credits returned to Member States[d]	(9 117)	
Reserves and fund balances, beginning of period	9 850	
Reserves and fund balances, end of period	**2 544**	

Statement XVII (concluded)

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*[c]
Assets		
Cash and term deposits	15 891	3 598
Assessed contributions receivable from Member States[b]	17 547	31 243
Other accounts receivable	276	1 158
Deferred charges	53	92
Inter-office transactions pending processing	1 088	–
Total assets	**34 855**	**36 091**
Liabilities		
Contributions or payments received in advance	–	156
Unliquidated obligations — current period	5 149	16 318
Unliquidated obligations — prior periods	5 247	–
Accounts payable to Member States	2 908	11
Other accounts payable	18	4
Inter-fund balances payable	18 901	8 466
Deferred credits	88	1 286
Total liabilities	**32 311**	**26 241**
Reserves and fund balances		
Cumulative surplus	2 544	9 850
Total reserves and fund balances	**2 544**	**9 850**
Total liabilities, reserves and fund balances	**34 855**	**36 091**

[a] See note 2 (a).

[b] Includes assessed contributions irrespective of collectability.

[c] Represents voluntary contribution in kind of $1,999,900 from the United States of America for which budgetary provisions have been made and cash contribution of $377 from Cyprus for which no budgetary provision has been made.

[d] Under the terms of General Assembly resolution 52/246 of 26 June 1998, the total assessment on Member States was reduced by $9,117,000, representing the unencumbered balance for the period ending 30 June 1997.

[e] Revised owing to the United Nations Mission in Haiti (UNMIH) being reported separately for the current fiscal year; it was included in statement XVIII for the previous period.

The accompanying notes are an integral part of the financial statements.

Schedule 17.1
United Nations Support Mission in Haiti
Expenditure for the period from 1 July to 31 July 1997 as at 30 June 1998
(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military contingents				
Standard troop cost, clothing and equipment	580	580	–	580
Welfare	2	2	–	2
Rations	121	121	–	121
Rotation and repatriation of troops	83	55	28	83
Other allowances	137	137	–	137
Contingent-owned equipment	292	–	292	292
Death and disability compensation	27	–	27	27
Subtotal, military contingents	**1 242**	**895**	**347**	**1 242**
Civilian police	553	434	15	449
Civilian personnel				
International and local staff	4 006	3 708	20	3 728
United Nations Volunteers	27	23	4	27
Subtotal, civilian personnel	**4 033**	**3 731**	**24**	**3 755**
Premises/accommodation/infrastructure	153	107	1	108
Transport operations				
Spare parts, repairs and maintenance	154	83	9	92
Air operations	172	10	162	172
Communications				
Communications equipment	11	5	–	5
Spare parts and supplies	12	12	–	12
Commercial communications	35	20	10	30
Subtotal, communications	**58**	**37**	**10**	**47**
Other equipment	14	13	1	14
Supplies and services	75	68	1	69
Freight	5	4	1	5
Special programmes				
Public information programmes	6	2	3	5
Programme support costs	561	561	–	561
Total	**7 026**	**5 945**	**574**	**6 519**

Schedule 17.2

United Nations Transition Mission in Haiti

Expenditure for the period from 1 August to 30 November 1997 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military contingents				
Standard troop cost, clothing and equipment	246	152	94	246
Welfare	2	2	–	2
Rations	12	–	–	
Rotation and repatriation of troops	200	191	–	191
Other allowances	419	122	6	428
Subtotal, military contingents	**879**	**767**	**100**	**867**
Civilian police	3 300	3 102	193	3 295
Civilian personnel				
International and local staff	1 047	957	2	959
United Nations Volunteers	138	70	38	108
Subtotal, civilian personnel	**1 185**	**1 027**	**40**	**1 067**
Premises/accommodation/infrastructure	193	177	–	177
Transport operations				
Spare parts, repairs and maintenance	286	210	54	264
Air operations	666	361	300	661
Communications				
Communications equipment	20	6	–	6
Spare parts and supplies	18	18	–	18
Commercial communications	32	37	1	38
Subtotal, communications	**70**	**61**	**1**	**62**
Other equipment	105	72	33	105
Supplies and services	299	218	75	293
Freight	1 010	695	315	1 010
Special programmes				
Public information programmes	26	8	18	26
Total	**8 019**	**6 698**	**1 129**	**7 827**

Schedule 17.3

United Nations Civilian Police Mission in Haiti[a]

Expenditure for the period from 1 December 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military contingents				
Death and disability compensation	60	–	60	60
Civilian police	4 611	3 088	1 514	4 602
Civilian personnel				
International and local staff	5 289	4 575	620	5 195
United Nations Volunteers	201	152	49	201
Subtotal, civilian personnel	**5 490**	**4 727**	**669**	**5 396**
Premises/accommodation/infrastructure	681	381	300	681
Transport operations				
Purchase of vehicles	38	38	–	38
Rental of vehicles	310	–	211	211
Spare parts, repairs and maintenance	580	223	358	581
Subtotal, transport operations	**928**	**261**	**569**	**830**
Air operations	2 051	2 040	11	2 051
Naval operations	13	1	12	13
Communications				
Communications equipment	26	–	26	26
Spare parts and supplies	42	39	3	42
Commercial communications	96	56	40	96
Subtotal, communications	**164**	**95**	**69**	**164**
Other equipment	172	108	64	172
Supplies and services	611	430	174	604
Freight	4	4	–	4
Special programmes				
Public information programmes	13	9	4	13
United Nations Logistics Base, Brindisi	476	476	–	476
Total	**15 274**	**11 620**	**3 446**	**15 066**

Statement XVIII

United Nations Mission in the Central African Republic (MINURCA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 April to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	15 April–30 June 1998
Income	
Assessed contributions[b]	18 561
Voluntary contributions[c]	917
Total income	**19 478**
Expenditure (schedule 18.1)	
Total expenditure	**17 585**
Net excess (shortfall) of income over expenditure	**1 893**
Reserves and fund balances, end of period	**1 893**

Statement XVIII (concluded)

United Nations Mission in the Central African Republic (MINURCA)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998
Assets	
Cash and term deposits	1 030
Assessed contributions receivable from Member States[b]	18 404
Other accounts receivable	71
Deferred charges	147
Inter-office transactions pending processing	4
Total assets	**19 656**
Liabilities	
Unliquidated obligations — current period	13 408
Other accounts payable	49
Inter-fund balances payable	1 851
Due to United Nations Peacekeeping Reserve Fund	2 455
Total liabilities	**17 763**
Reserves and fund balances	
Cumulative surplus	1 893
Total reserves and fund balances	**1 893**
Total liabilities, reserves and fund balances	**19 656**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Represents voluntary contribution in kind from France of $916,886 for which budgetary provisions have been made.

The accompanying notes are an integral part of the financial statements.

Schedule 18.1

United Nations Mission in the Central African Republic

Expenditure for the period from 15 April to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Military contingents				
Standard troop cost, clothing and equipment	3 520	–	3 398	3 398
Welfare	17	–	13	13
Rations	1 357	730	685	1 415
Emplacement, rotation and repatriation	1 210	407	662	1 069
Other allowances	168	141	9	150
Contingent-owned equipment	1 185	385	800	1 185
Death and disability compensation	111	–	111	111
Subtotal, military contingents	**7 568**	**1 663**	**5 678**	**7 341**
Civilian police	208	37	43	80
Civilian personnel				
International and local staff	2 167	1 347	341	1 688
Government provided personnel	11	–	5	5
Subtotal, civilian personnel	**2 178**	**1 347**	**346**	**1 693**
Premises/accommodation/infrastructure	1 239	63	1 171	1 234
Transport operations				
Purchase of vehicles	1 691	302	1 275	1 577
Rental of vehicles	183	4	–	4
Workshop equipment	16	–	15	15
Spare parts, repairs and maintenance	323	88	245	333
Subtotal, transport operations	**2 213**	**394**	**1 535**	**1 929**
Air operations	1 319	141	950	1 091
Communications				
Communications equipment	1 158	192	850	1 042
Spare parts and supplies	45	–	34	34
Workshop and test equipment	103	–	–	–
Commercial communications	86	17	95	112
Subtotal, communications	**1 392**	**209**	**979**	**1 188**
Other equipment	1 557	169	1 139	1 308
Supplies and services	659	154	434	588
Freight	1 093	–	1 092	1 092
Special programmes				
Public information programmes	9	–	1	1
Training programmes	43	–	40	40
Subtotal, special programmes	**52**	**–**	**41**	**41**
Total	**19 478**	**4 177**	**13 408**	**17 585**

Statement XIX

United Nations Peacekeeping Reserve Fund

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Allocations from other funds	–	258
Interest income	5 907	5 349
Miscellaneous income[a]	277	33
Total income	**6 184**	**5 640**
Expenditure		
Total expenditure	**3**[b]	**4**[c]
Net excess (shortfall) of income over expenditure	**6 181**	**5 636**
Reserves and fund balances, beginning of period	**162 664**	**157 028**
Reserves and fund balances, end of period	**168 845**	**162 664**

Statement XIX (concluded)

United Nations Peacekeeping Reserve Fund

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	105 517	101 500
Assessed contributions receivable from Member States[a]	278	18
Accrued interest receivable	228	144
Inter-fund balances receivable	258	258
Due from United Nations General Fund[d]	57 601	57 601
Due from United Nations Transition Assistance Group	2 240	2 240
Due from United Nations Iran-Iraq Military Observer Group	903	903
Due from United Nations Mission in the Central African Republic[e]	2 455	–
Total assets	**169 480**	**162 664**
Liabilities		
Other accounts payable	635	–
Total liabilities	**635**	–
Reserves and fund balances		
Working capital funds[f]	150 000	150 000
Cumulative surplus (deficit)	18 845	12 664
Total reserves and fund balances	**168 845**	**162 664**
Total liabilities, reserves and fund balances	**169 480**	**162 664**

[a] Contributions assessed for the Member States that joined the United Nations subsequent to the adoption of General Assembly resolution 47/217 of 23 December 1992 establishing the Peacekeeping Reserve Fund.

[b] Represents bank charges of $2,619.87.

[c] Reclassified to conform to current presentation.

[d] To be transferred from the total of $154,881,112 retained by the United Nations General Fund pursuant to General Assembly resolution 42/216 A of 21 December 1987.

[e] Represents an advance for start-up costs for United Nations Mission in the Central African Republic.

[f] Comprises amounts transferred from the balance of the excess of income over expenditure in the special accounts of the United Nations Transition Assistance Group ($49,242,762) and the United Nations Iran-Iraq Military Observer Group ($18,156,200) and from retained surpluses in the United Nations General Fund ($82,601,038).

The accompanying notes are an integral part of the financial statements.

Statement XX

Support account for peacekeeping operations

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 June 1997*
Income		
Income for services rendered	32 426	30 534
Interest income	255	451
Other/miscellaneous income	1	899
Total income	**32 682**	**31 874**
Expenditure		
Staff and other personnel costs	25 643	25 750
Travel	873	93
Contractual services	376	484
Operating expenses	1 538	1 609
Acquisitions	524	130
Total expenditure	**28 954**	**28 966**
Excess (shortfall) of income over expenditure	**3 728**	**3 808**
Prior period adjustments	223	2 802
Net excess (shortfall) of income over expenditure	**3 951**	**6 610**
Reserves and fund balances, beginning of period	**3 388**	**(3 222)**
Reserves and fund balances, end of period	**7 339**	**3 388**

Statement XX (concluded)

Support account for peacekeeping operations

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash	4 276	5 314
Other accounts receivable	230	635[a]
Inter-fund balances receivable	4 326	–
Deferred charges	406	–
Total assets	**9 238**	**5 949**
Liabilities		
Unliquidated obligations	1 210	809
Other accounts payable	689	693[a]
Inter-fund balances payable	–	1 059
Total liabilities	**1 899**	**2 561**
Reserves and fund balances		
Operating reserve	5 000	5 000
Cumulative surplus (deficit)	2 339	(1 612)
Total reserves and fund balances	**7 339**	**3 388**
Total liabilities, reserves and fund balances	**9 238**	**5 949**

[a] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Statement XXI

United Nations Logistics Base, Brindisi

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	1 July 1997–30 June 1998	*1 July 1996–30 Ju*
Income		
Allocations from other funds[a]	10 835	
Interest income	22	
Other/miscellaneous income	137	
Total income	**10 994**	
Expenditure (schedule 21.1)		
Total expenditure[b]	**9 461**	
Excess (shortfall) of income over expenditure	**1 533**	
Prior period adjustment	3	
Net excess (shortfall) of income over expenditure	**1 536**	
Savings on or cancellation of prior period obligations	40	
Reserves and fund balances, beginning of period	**2 032**	
Reserves and fund balances, end of period	**3 608**	

Statement XXI (concluded)

United Nations Logistics Base, Brindisi

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	276	372
Accounts receivable	189	161
Inter-fund balances receivable	6 875	3 873
Deferred charges	29	36
Inter-office transactions pending processing	3	–
Total assets	**7 372**	**4 442**
Liabilities		
Unliquidated obligations — current period	3 344	1 623
Unliquidated obligations — prior periods	400	–
Other accounts payable	20	787
Total liabilities	**3 764**	**2 410**
Reserves and fund balances		
Cumulative surplus	3 608	2 032
Total reserves and fund balances	**3 608**	**2 032**
Total liabilities, reserves and fund balances	**7 372**	**4 442**

[a] The allocation has been determined on an ad hoc basis from the existing budgets of various participating peacekeeping operations.

[b] Included is an amount of $2,798,494, which relates to expenditures for the backlog clearance project.

The accompanying notes are an integral part of the financial statements.

Schedule 21.1

United Nations Logistics Base, Brindisi

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Civilian personnel				
International and local staff	5 520	4 888	41	4 929
Premises/accommodation/infrastructure	1 407	236	996	1 232
Transport operations				
Purchase of vehicles	46	–	56	56
Rental of vehicles	106	51	30	81
Spare parts, repairs and maintenance	645	128	565	693
Petrol, oil and lubricants	102	29	23	52
Vehicle insurance	64	2	36	38
Subtotal, transport operations	**963**	**210**	**710**	**920**
Communications				
Communications equipment	52	45	–	45
Spare parts, repairs and maintenance	499	183	237	420
Commercial communications	27	16	13	29
Subtotal, communications	**578**	**244**	**250**	**494**
Other equipment	830	241	478	719
Supplies and services	1 338	242	745	987
Freight	154	30	112	142
Special programmes				
Public information programmes	44	26	12	38
Total	**10 834**	**6 117**	**3 344**	**9 461**

Statement XXII

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 February to 31 May 1997 as at 30 June 1998

(Thousands of United States dollars)

	Period	
	15 February–30 June 1997	*1 July 1997–30 June 1998*
Income		
Assessed contributions[b]	4 000	–
Interest income	–	38
Miscellaneous income	–	65
Total income	**4 000**	**103**
Expenditure		
Total expenditure	**3 946**	–
Net excess (shortfall) of income over expenditure	**54**	**103**
Savings on or cancellation of prior period obligations	–	10
Reserves and fund balances, beginning of period	–	54
Reserves and fund balances, end of period	**54**	**167**

Statement XXII (concluded)

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	108	1 222
Assessed contributions receivable from Member States[b]	322	2 366
Inter-fund balance receivable	2	–
Total assets	**432**	**3 588**
Liabilities		
Unliquidated obligations — prior periods	265	1 243
Other accounts payable	–	123
Inter-fund balance payable	–	2 168
Total liabilities	**265**	**3 534**
Reserves and fund balances		
Cumulative surplus	167	54
Total reserves and fund balances	**167**	**54**
Total liabilities, reserves and fund balances	**432**	**3 588**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

The accompanying notes are an integral part of the financial statements.

Statement XXIII

United Nations Military Liaison Team in Cambodia (UNMLT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 November 1993 to 15 November 1994 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	15 November 1993-30 June 1997	*1 July 1997-30 June 1998*	*1 July 1996-30 June 1997*
Income			
Assessed contributions[b]	910	–	–
Interest income	32	14	18
Other/miscellaneous income	89	1	–
Total income	**1 031**	**15**	**18**
Expenditure			
Total expenditure	**587**	–	–
Excess (shortfall) of income over expenditure	**444**	**15**	**18**
Prior period adjustments	(2)	(2)	(1)
Net excess (shortfall) of income over expenditure	**442**	**13**	**17**
Savings on or cancellation of prior period obligations	3	2	–
Credits returned to Member States	(375)	–	–
Reserves and fund balances, beginning of period	–	70	53
Reserves and fund balances, end of period	**70**	**85**	**70**

Statement XXIII (concluded)

United Nations Military Liaison Team in Cambodia (UNMLT)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	259	292
Assessed contributions receivable from Member States[b]	14	16
Total assets	**273**	**308**
Liabilities		
Unliquidated obligations — prior periods	–	2
Accounts payable to Member States	171	224
Inter-fund balances payable	16	11
Inter-office transactions pending processing	1	1
Total liabilities	**188**	**238**
Reserves and fund balances		
Cumulative surplus	85	70
Total reserves and fund balances	**85**	**70**
Total liabilities, reserves and fund balances	**273**	**308**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Statement XXIV

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission to Uganda/Rwanda (UNOMUR)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 22 June 1993 to 19 April 1996 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	22 June 1993 - 30 June 1997	*1 July 1997 - 30 June 1998*	*1 July 1996 - 30 June 1997*
Income			
Assessed contributions[b]	512 290	–	2 100
Voluntary contributions	477	–	–
Interest income	9 820	2 409	4 456
Other/miscellaneous income	5 716	849	3 769
Total income	**528 303**	**3 258**	**10 325**
Expenditure (schedule 24.1)			
Total expenditure	**435 458**	**199**	**2 415**
Excess (shortfall) of income over expenditure	**92 845**	**3 059**	**7 910**
Prior period adjustments	(16 733)	(8 470)[c]	(8 913)
Net excess (shortfall) of income over expenditure	**76 112**	**(5 411)**	**(1 003)**
Savings on or cancellation of prior period obligations	10 320	476	10 320
Transfer from other funds	260	–	–
Transfer to other funds	(33 236)	732[d]	(11 987)
Credits returned to Member States	(11 819)	–	–
Reserves and fund balances, beginning of period	–	41 637	44 307
Reserves and fund balances, end of period	**41 637**	**37 434**	**41 637**

Statement XXIV (concluded)

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission to Uganda/Rwanda (UNOMUR)

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997[c]*
Assets		
Cash and term deposits	36 324	60 063
Assessed contributions receivable from Member States[b]	26 669	34 720
Other accounts receivable	1 333	723
Inter-fund balances receivable	–	288
Due from United Nations Mission for the Referendum in Western Sahara	5 300	–
Deferred charges	11	4 160
Inter-office transactions pending processing	220	4 263
Total assets	**69 857**	**104 217**
Liabilities		
Unliquidated obligations — current period	–	43
Unliquidated obligations — prior periods	29 303	42 503
Accounts payable to Member States	981	3 637
Other accounts payable	41	3 591
Inter-fund balances payable	1 784	–
Due to International Criminal Tribunal for Rwanda	–	11 987
Deferred credits	208	–
Inter-office transactions pending processing	106	819
Total liabilities	**32 423**	**62 580**
Reserves and fund balances		
Cumulative surplus (deficit)	37 434	41 637
Total reserves and fund balances	**37 434**	**41 637**
Total liabilities, reserves and fund balances	**69 857**	**104 217**

[a] In accordance with Security Council resolution 846 (1993) of 22 June 1993, the accounts of UNAMIR and UNOMUR were consolidated with effect from 23 December 1993. See also note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Includes rations charges of $4,530,415, adjustments to income of $3,591,092 and additional expenditures of $348,412.

[d] Represents adjustment of $731,940 previously transferred to the International Criminal Tribunal for Rwanda.

[e] The comparative column was reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Schedule 24.1

United Nations Assistance Mission for Rwanda

Expenditure for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

	Allotment	*Disbursements*	*Unliquidated obligations*	*Total expenditure*
Civilian personnel				
International and local staff	170	199	–	199
Total	**170**	**199**	**–**	**199**

Statement XXV

United Nations Mission in Haiti (UNMIH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 23 September 1993 to 31 July 1996 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	23 September 1993 30 June 1997	*1 July 1997 30 June 1998*	*1 July 1996 30 June 1997[b]*
Income			
Assessed contributions[c]	357 541	–	1 197
Voluntary contributions	1	–	1
Interest income	11 986	5 257	6 046
Other/miscellaneous income	2 934	15	1 804
Total income	**372 462**	**5 272**	**9 048**
Expenditure			
Total expenditure	**306 156**	–	**1 159**
Net excess of income over expenditure	**66 306**	**5 272**	**7 889**
Savings on or cancellation of prior period obligations	472	–	472
Credits returned to Member States[d]	(35 214)	(8 220)	(15 735)
Other adjustments to reserves and fund balances	24	–	–
Reserves and fund balances, beginning of period	–	31 588	38 962
Reserves and fund balances, end of period	**31 588**	**28 640**	**31 588**

Statement XXV (concluded)

United Nations Mission in Haiti (UNMIH)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997[d]*
Assets		
Cash and term deposits	89 895	116 093
Contributions receivable from Member States[b]	8 481	12 695
Accounts receivable from Member States	11	11
Other accounts receivable	755	704
Inter-fund balances receivable	19 286	19 996
Due from the United Nations Mission for the Referendum in Western Sahara	11 000	–
Due from United Nations Operation in Somalia	10 400	–
Due from United Nations Observer Mission in Georgia	1 000	–
Due from United Nations Protection Force	1 000	–
Deferred charges	–	1 045
Total assets	**141 828**	**150 544**
Liabilities		
Contributions or payments received in advance	–	4 247
Unliquidated obligations — current period	–	22
Unliquidated obligations — prior periods	61 546	64 872
Accounts payable to Member States	50 735	49 799
Other accounts payable	–	16
Inter-office transactions pending processing	907	–
Total liabilities	**113 188**	**118 956**
Reserves and fund balances		
Cumulative surplus	28 640	31 588
Total reserves and fund balances	**28 640**	**31 588**
Total liabilities, reserves and fund balances	**141 828**	**150 544**

[a] See note 2 (a).

[b] Revised owing to the United Nations Mission in Haiti being reported separately for the current fiscal year; it was included in statement XVIII for the previous period.

[c] Includes assessed contributions irrespective of collectability.

[d] Under the terms of General Assembly resolutions 51/14 A of 4 November 1996 and 51/14 B of 13 June 1997, the total assessment on Member States was reduced by $1,197,100 and $7,022,800, representing the unencumbered balance for the period ending 29 February 1996 and 30 June 1996 respectively.

The accompanying notes are an integral part of the financial statements.

Statement XXVI

United Nations Operation in Mozambique (ONUMOZ)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 October 1992 to 31 March 1995 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	15 October 1992 - 30 June 1997	*1 July 1997 - 30 June 1998*	*1 July 1996 - 30 June 1997*
Income			
Assessed contributions[b]	561 098	–	–
Interest income	4 971	1 347	1 814
Other/ miscellaneous income	2 778	1 124	426
Total income	**568 847**	**2 471**	**2 240**
Expenditure			
Total expenditure	**492 556**	–	–
Excess (shortfall) of income over expenditure	**76 291**	**2 471**	**2 240**
Prior period adjustments	(921)	(2 854)[c]	(493)
Net excess (shortfall) of income over expenditure	**75 370**	**(383)**	**1 747**
Savings on or cancellation of prior period obligations	12 426	1 570	10 318
Credits returned to Member States	(25 986)	(52 256)[d]	–
Reserves and fund balances, beginning of period	–	61 810	49 745
Reserves and fund balances, end of period	**61 810**	**10 741**	**61 810**

Statement XXVI (concluded)

United Nations Operation in Mozambique (ONUMOZ)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997[f]*
Assets		
Cash and term deposits	15 401	34 659
Assessed contributions receivable from Member States[b]	24 263	39 150
Due from United Nations Operation in Somalia	16 300	13 600
Due from United Nations Protection Force	8 000	–
Other accounts receivable	1 425	2 742
Deferred charges	–	1 000
Inter-office transactions pending processing	575	2 953
Total assets	**65 964**	**94 104**
Liabilities		
Unliquidated obligations — prior periods	13 778	25 902
Accounts payable to Member States	40 127	3 827
Other accounts payable	–	1 933
Inter-fund balances payable	1 008	369
Deferred credits	194	263
Inter-office transactions pending processing	116	–
Total liabilities	**55 223**	**32 294**
Reserves and fund balances		
Cumulative surplus (deficit)	10 741	61 810
Total reserves and fund balances	**10 741**	**61 810**
Total liabilities, reserves and fund balances	**65 964**	**94 104**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Includes expenditures for fuel/petrol of $1,165,950, payroll charges of $1,674,561 and other miscellaneous charges of $13,526.

[d] Under the terms of General Assembly resolution 52/240 of 26 June 1998, the total assessment on Member States was reduced by $36,956,800 and $4,971,000, representing the unencumbered balance for the period ending 31 March 1995 and interest income accumulated since inception respectively.

[e] In addition, under the terms of General Assembly resolution 52/240, the total assessment on Member States was reduced by $10,328,200, of which $2,778,000 is miscellaneous income and $7,550,200 is from the unencumbered balance.

[f] The comparative column was reclassified to conform to the current presentation.

The accompanying notes are an integral part of the financial statements.

Statement XXVII
United Nations Operation in Somalia (UNOSOM)[a]
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 May 1992 to 28 February 1995 as at 30 June 1998
(Thousands of United States dollars)

	Period		
	1 May 1992 30 June 1997	*1 July 1997 30 June 1998*	*1 July 1996 30 June 1997*
Income			
Assessed contributions[b]	1 738 202	–	–
Interest income	5 612	75	105
Other/miscellaneous income	4 998	456	520
Total income	**1 748 812**	**531**	**625**
Expenditure			
Total expenditure	**1 648 559**	–	–
Excess (shortfall) of income over expenditure	**100 253**	**531**	**625**
Prior period adjustments	(6 286)	(610)[c]	(3 457)
Net excess (shortfall) of income over expenditure	**93 967**	**(79)**	**(2 832)**
Savings on or cancellation of prior period obligations	13 912	326	–
Credits returned to Member States	(83 930)	–	–
Transfer from other funds	103	–	103
Reserves and fund balances, beginning of period	–	24 052	26 884
Reserves and fund balances, end of period	**24 052**	**24 299**	**24 052**

Statement XXVII (concluded)
United Nations Operation in Somalia (UNOSOM)[a]
Statement of assets, liabilities, reserves and fund balances as at 30 June 1998
(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	1 469	3 187
Assessed contributions receivable from Member States[b]	301 142	300 902
Other accounts receivable	1 375	22 893
Inter-fund balances receivable	4 138	–
Deferred charges	101	1 459
Inter-office transactions pending processing	3 529	5 013
Total assets	**311 754**	**333 454**
Liabilities		
Unliquidated obligations — prior periods	148 896	246 448
Accounts payable — to Member States	89 554	24 134
Other accounts payable	3	1 197
Inter-fund balances payable	–	2 471
Due to United Nations Operation in Mozambique	16 300	13 600
Due to United Nations Transition Assistance Group	16 000	15 000
Due to United Nations Mission in Haiti	10 400	–
Due to United Nations Observer Mission in El Salvador	6 000	–
Due to United Nations General Fund	–	6 000
Deferred payables	302	552
Total liabilities	**287 455**	**309 402**
Reserves and fund balances		
Cumulative surplus (deficit)	24 299	24 052
Total reserves and fund balances	**24 299**	**24 052**
Total liabilities, reserves and fund balances	**311 754**	**333 454**

[a] See note 2.

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Includes payroll expenditures of $177,782, an adjustment of a write-off amounting to $421,034 and other miscellaneous expenditures of $10,755.

[d] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Statement XXVIII

United Nations Transitional Authority in Cambodia (UNTAC)[a,b]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 November 1991 to 31 March 1994 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	1 November 1991 30 June 1997	*1 July 1997 30 June 1998*	*1 July 1996 30 June 1997*
Income			
Assessed contributions[c]	1 582 192	–	–
Voluntary contributions	9 493	–	–
Interest income	6 944	148	359
Other/miscellaneous income	5 983	14	37
Total income	**1 604 612**	**162**	**396**
Expenditure			
Total expenditure	**1 604 693**	–	–
Excess (shortfall) of income over expenditure	**(81)**	**162**	**396**
Prior period adjustments	(1 259)	(84)	(86)
Net excess (shortfall) of income over expenditure	**(1 340)**	**78**	**310**
Savings on or cancellation of prior period obligations	14 151	3 239	6 853
Credits returned to Member States[d]	–	(8 743)	–
Reserves and fund balances, beginning of period	–	12 811	5 648
Reserves and fund balances, end of period	**12 811**	**7 385**	**12 811**

Statement XXVIII (concluded)

United Nations Transitional Authority in Cambodia (UNTAC)[a,b]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	3 457	3 106
Assessed contributions receivable from Member States[c]	43 149	48 308
Voluntary contributions receivable from Member States[d]	362	362
Other accounts receivable	433	465
Inter-fund balances receivable	1 479	–
Deferred charges	172	172[f]
Inter-office transactions pending processing	27	27[f]
Total assets	**49 079**	**52 440**
Liabilities		
Unliquidated obligations	19 253	23 156
Accounts payable to Member States	21 663	15 698
Other accounts payable	221	190
Inter-fund balances payable	–	27
Deferred credits	557	558
Total liabilities	**41 694**	**39 629**
Reserves and fund balances		
Cumulative surplus (deficit)	7 385	12 811
Total reserves and fund balances	**7 385**	**12 811**
Total liabilities, reserves and fund balances	**49 079**	**52 440**

[a] See note 2 (a).

[b] The special account of the United Nations Advance Mission in Cambodia has been consolidated into the special account for the United Nations Transitional Authority in Cambodia.

[c] Includes assessed contributions unpaid irrespective of collectability.

[d] Under the terms of General Assembly resolution 52/239 of 26 June 1998, credits of $8,743,400 were returned to Member States, representing $6,944,000 of interest income and $1,799,400 of miscellaneous income.

[e] Voluntary contribution from the Netherlands.

[f] Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Statement XXIX

United Nations Observer Mission in El Salvador (ONUSAL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 7 November 1989 to 31 May 1995 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	7 November 1989 30 June 1997	*1 July 1997 30 June 1998*	*1 July 1996 30 June 1997*
Income			
Assessed contributions[b]	238 987	–	842
Voluntary contributions	1 641	–	–
Interest income	3 142	328	730
Other miscellaneous income	2 588	–	10
Total income	**246 358**	**328**	**1 582**
Expenditure			
Total expenditure	**199 484**	–	–
Excess (shortfall) of income over expenditure	**46 874**	**328**	**1 582**
Prior period adjustments	(12)	(4)	(5)
Net excess (shortfall) of income over expenditure	**46 862**	**324**	**1 577**
Savings on or cancellation of prior period obligations	4 181	–	553
Credits returned to Member States	(42 934)	–	(14 695)
Transfer to United Nations Peacekeeping Reserve Fund	(258)	–	(258)
Reserves and fund balances, beginning of period	–	7 851	20 674
Reserves and fund balances, end of period	**7 851**	**8 175**	**7 851**

Statement XXIX (concluded)

United Nations Observer Mission in El Salvador (ONUSAL)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	5 244	15 138
Assessed contributions receivable from Member States[b]	11 944	10 072
Other accounts receivable	22	32
Due from the United Nations Operation in Somalia	6 000	–
Deferred charges	–	3
Total assets	**23 210**	**25 245**
Liabilities		
Unliquidated obligations — prior periods	1 006	1 010
Accounts payable to Member States	13 105	11 032
Other accounts payable	32	129
Inter-fund balances payable	766	5 223
Deferred payables	6	–
Inter-office transactions pending processing	120	–
Total liabilities	**15 035**	**17 394**
Reserves and fund balances		
Cumulative surplus	8 175	7 851
Total reserves and fund balances	**8 175**	**7 851**
Total liabilities, reserves and fund balances	**23 210**	**25 245**

[a] See note 2 (a). In accordance with General Assembly resolution 47/223 of 16 March 1993, the operations of the United Nations Observer Group in Central America have been incorporated into the United Nations Observer Mission in El Salvador.

[b] Includes assessed contributions irrespective of collectability.

The accompanying notes are an integral part of the financial statements.

Statement XXX

United Nations Transition Assistance Group (UNTAG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 April 1988 to 30 June 1991 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	1 April 1988 30 June 1997	*1 July 1997 30 June 1998*	*1 July 1996 30 June 1997*
Income			
Assessed contributions[b]	416 162	–	–
Voluntary contributions	23 736	–	–
Interest income	38 771	1 158	1 040
Other/miscellaneous income	13 361	26	3
Total income	**492 030**	**1 184**	**1 043**
Expenditure			
Total expenditure	**374 185**	–	–
Excess (shortfall) of income over expenditure	**117 845**	**1 184**	**1 043**
Prior period adjustments	(30)	(379)	(6)
Net excess (shortfall) of income over expenditure	**117 815**	**805**	**1 037**
Transfer to United Nations Peacekeeping Reserve Fund	(49 243)	–	–
Savings on or cancellation of prior period obligations	32 016	–	793
Credits returned to Member States	(66 896)	–	–
Reserves and fund balances, beginning of period	–	33 692	31 862
Reserves and fund balances, end of period	**33 692**	**34 497**	**33 692**

Statement XXX (concluded)

United Nations Transition Assistance Group (UNTAG)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	20 550	20 616
Assessed contributions receivable from Member States[b]	411	497
Accrued interest receivable	176	78
Other accounts receivable	168	168
Due from United Nations Operation in Somalia	16 000	15 000
Deferred charges	5	5
Total assets	**37 310**	**36 364**
Liabilities		
Accounts payable to Member States	372	379
Other accounts payable	8	5
Inter-fund balances payable	192	21
Due to United Nations Peacekeeping Reserve Fund	2 240	2 240
Deferred credits	1	27
Total liabilities	**2 813**	**2 672**
Reserves and fund balances		
Cumulative surplus	34 497	33 692
Total reserves and fund balances	**34 497**	**33 692**
Total liabilities, reserves and fund balances	**37 310**	**36 364**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

The accompanying notes are an integral part of the financial statements.

Statement XXXI

United Nations Iran-Iraq Military Observer Group (UNIIMOG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 August 1988 to 31 March 1991 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	9 August 1988-30 June 1997	*1 July 1997-30 June 1998*	*1 July 1996-30 June 1997*
Income			
Assessed contributions[b]	199 113	–	–
Voluntary contributions	14 715	–	–
Interest income	11 313	277	202
Other/miscellaneous income	12 048	–	–
Total income	**237 189**	**277**	**202**
Expenditure			
Total expenditure	**177 895**	–	–
Excess (shortfall) of income over expenditure	**59 294**	**277**	**202**
Prior period adjustments	(11)	(1)	(1)
Net excess (shortfall) of income over expenditure	**59 283**	**276**	**201**
Transfer to the United Nations Peacekeeping Reserve Fund	(18 156)	–	–
Savings on or cancellation of prior period obligations	4 997	–	–
Credits returned to Member States	(43 484)	–	–
Reserves and fund balances, beginning of period	–	2 640	2 439
Reserves and fund balances, end of period	**2 640**	**2 916**	**2 640**

Statement XXXI (concluded)

United Nations Iran-Iraq Military Observer Group (UNIIMOG)[a]

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash and term deposits	5 123	4 207
Assessed contributions receivable from Member States[b]	127	165
Accrued interest receivable	14	–
Other accounts receivable	53	28
Inter-fund balances receivable	–	682
Deferred charges	7	7
Total assets	**5 324**	**5 089**
Liabilities		
Accounts payable to Member States	1 049	1 267
Other accounts payable	307	279
Inter-fund balances payable	149	–
Due to United Nations Peacekeeping Reserve Fund	903	903
Total liabilities	**2 408**	**2 449**
Reserves and fund balances		
Cumulative surplus (deficit)	2 916	2 640
Total reserves and fund balances	**2 916**	**2 640**
Total liabilities, reserves and fund balances	**5 324**	**5 089**

[a] See note 2 (a).

[b] Includes assessed contributions unpaid irrespective of collectability.

The accompanying notes are an integral part of the financial statements.

Statement XXXII

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)

Statement of income and expenditure and changes in reserves and fund balances for the period from 14 July 1960 to 30 June 1964 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	1960 30 June 1997	*1 July 1997 - 30 June 1998*	*1 July 1996 30 June 1997*
Income			
Assessed contributions[a]	241 549	–	–
Voluntary contributions	36 193	–	–
Proceeds from sale of United Nations bonds	110 726	–	–
Investment income	48	41	48
Miscellaneous income, savings in liquidating obligations and adjustments	45 588	103[b]	173
Total income	**434 104**	**144**	**221**
Expenditure			
Total expenditure	**397 437**	–	–
Net excess (shortfall) of income over expenditure	**36 667**	**144**	**221**
Reserves and fund balances, beginning of period	–	36 667	36 446
Reserves and fund balances, end of period	**36 667**	**36 811**	**36 667**

Statement XXXII (concluded)

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Cash	–	1 549
Assessed contributions unpaid[a] (schedule 32.1)	73 892	73 892
Special account for unpaid assessed contributions pursuant to General Assembly resolution 2049 C (XXVII)	6 687	6 687
Excess of authorized expenditures over assessments and applied voluntary contributions[c]	1 973	1 973
Inter-fund balances receivable	909	–
Other receivables	–	3
Total assets	**83 461**	**84 104**
Liabilities		
Accounts payable to Member States	6 907	7 694
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	855	855
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	1 560	1 560
Due to United Nations Special Account	1 397	1 397
Due to United Nations bond account	35 931	35 931
Total liabilities	**46 650**	**47 437**
Reserves and fund balances		
Cumulative surplus (deficit)	36 811	36 667
Total reserves and fund balances	**36 811**	**36 667**
Total liabilities, reserves and fund balances	**83 461**	**84 104**

[a] Includes assessed contributions unpaid irrespective of collectability.

[b] Represents gain on exchange from revaluation of accounts payable expressed in local currency.

[c] For 1961, $268,455; for the second half of 1963, $1,118,712; and for the first half of 1964, $585,899.

The accompanying notes are an integral part of the financial statements.

Schedule 32.1

Ad Hoc Account for the United Nations Operation in the Congo

Assessed contributions unpaid as at 30 June 1998

(United States dollars)

	Unpaid as at 30 June 1997	*Collections 1 July 1997–30 June 1998*	*Unpaid as at 30 June 1998*
A. Member States with remaining arrears			
Afghanistan	37 603	–	37 603
Benin	6 994	–	6 994
Bolivia	34 833	–	34 833
Brazil	248 838	–	248 838
Burkina Faso	14 145	–	14 145
Central African Republic	6 589	–	6 589
Chad	9 832	–	9 832
Congo	9 938	–	9 938
Ecuador	4 120	–	4 120
Egypt	48 387	–	48 387
Guatemala	38 209	–	38 209
Guinea	9 938	–	9 938
Iraq	22 362	–	22 362
Lebanon	12 108	–	12 108
Mali	24 259	–	24 259
Paraguay	24 229	–	24 229
Senegal	20 418	–	20 418
Somalia	17 445	–	17 445
Sudan	5 860	–	5 860
Yugoslavia	333 269	–	333 269
Subtotal	**929 376**	–	**929 376**
B. Member States that have made no payments			
Burundi	10 471	–	10 471
Chile	224 847	–	224 847
Dominican Republic	54 503	–	54 503
Haiti	33 916	–	33 916
Mauritania	17 215	–	17 215
Mexico	786 193	–	786 193
Nicaragua	33 916	–	33 916
Panama	33 916	–	33 916
Peru	89 183	–	89 183
Portugal	201 673	–	201 673
Rwanda	10 471	–	10 471
Saudi Arabia	69 487	–	69 487
Spain	985 159	–	985 159
Syrian Arab Republic	20 379	–	20 379
Togo	25 324	–	25 324

	Unpaid as at 30 June 1997	*Collections 1 July 1997 30 June 1998*	*Unpaid as at 30 June 1998*
Uganda	10 471	–	10 471
Uruguay	97 662	–	97 662
Yemen	43 602	–	43 602
Subtotal	**2 748 388**	–	**2 748 388**
C. Member States that have indicated they will not contribute			
Albania	43 602	–	43 602
Belarus	1 357 881	–	1 357 881
Bulgaria	190 746	–	190 746
Cuba	260 259	–	260 259
Czech Republic	1 379 704	–	1 379 704
France	17 031 152	–	17 031 152
Hungary	995 024	–	995 024
Jordan	43 602	–	43 602
Mongolia	17 215	–	17 215
Poland	2 466 010	–	2 466 010
Romania	641 015	–	641 015
Russian Federation	39 223 085	–	39 223 085
Slovakia	1 379 704	–	1 379 704
Ukraine	5 185 697	–	5 185 697
Subtotal	**70 214 696**	–	**70 214 696**
Grand total	**73 892 460**	–	**73 892 460**

Statement XXXIII

Special Account for the United Nations Emergency Force (UNEF) (1956)

Statement of income and expenditure and changes in reserves and fund balances for the period from 5 November 1956 to 30 June 1967 as at 30 June 1998

(Thousands of United States dollars)

	Period		
	1956 30 June 1997	*1 July 1997 30 June 1998*	*1 July 1996 30 June 1997*
Income			
Assessed contributions[a]	166 375	–	–
Voluntary contributions	28 086	–	–
Proceeds from the sale of United Nations bonds	19 207	–	–
Appropriated from United Nations Special Account	3 911	–	–
Miscellaneous, savings in liquidating obligations and adjustments	5 785	853[b]	1 395
Total income	**223 364**	**853**	**1 395**
Expenditure			
Total expenditure	**215 540**	–	–
Net excess (shortfall) of income over expenditure	**7 824**	**853**	**1 395**
Reserves and fund balances, beginning of period	–	7 824	6 429
Reserves and fund balances, end of period	**7 824**	**8 677**	**7 824**

Statement XXXIII (concluded)

Special account for the United Nations Emergency Force (UNEF) (1956)

Statement of assets, liabilities, reserves and fund balances as at 30 June 1998

(Thousands of United States dollars)

	1998	*1997*
Assets		
Assessed contributions unpaid (schedule 33.1)[a]	42 627	42 708
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	5 275	5 275
Excess of authorized expenditures over assessments and applied contributions	876	876
Inter-fund balances receivable	81	–
Total assets	**48 859**	**48 859**
Liabilities		
Accounts payable to Member States	18 639	19 492
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	465	465
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	614	614
Assessed on economically developed countries to meet reserve requirements[c]	10 415	10 415
Due to United Nations Special Account	1 932	1 932
Due to United Nations bond account	8 117	8 117
Total liabilities	40 182	41 035
Reserves and fund balances		
Cumulative surplus (deficit)	8 677	7 824
Total reserves and fund balances	**8 677**	**7 824**
Total liabilities, reserves and fund balances	**48 859**	**48 859**

[a] Includes assessed contributions unpaid irrespective of collectability.

[b] Represents gain on exchange from revaluation of accounts payable expressed in local currency.

[c] For 1965, $3,550,000 pursuant to General Assembly resolution 2115 (XX), sect. II. For 1966, $3,550,000, pursuant to resolution 2115 (XX), sect. III. For 1967, $3,315,000, pursuant to resolution 2194 B (XXI).

The accompanying notes are an integral part of the financial statements.

Schedule 33.I

Special Account for the United Nations Emergency Force (1956)

Asessed contributions unpaid as at 30 June 1998

(United States dollars)

	Unpaid as at 30 June 1997	*Collections 1 July 1997- 30 June 1998*	*Unpaid as at 30 June 1998*
A. Member States with remaining arrears			
Afghanistan	29 499	–	29 499
Algeria	8 932	–	8 932
Benin	5 530	–	5 530
Bolivia	41 905	–	41 905
Cambodia	1 689	–	1 689
Cameroon	1 689	–	1 689
Central African Republic	2 256	–	2 256
Chad	8 385	–	8 385
Chile	165 903	–	165 903
Congo	9 249	–	9 249
Côte d'Ivoire	1 689	–	1 689
Dominican Republic	22 898	–	22 898
Ecuador	10 129	–	10 129
El Salvador	7 411	–	7 411
Guinea	19 410	–	19 410
Haiti	25 661	–	25 661
Iraq	100 407	–	100 407
Lebanon	19 850	–	19 850
Libyan Arab Jamahiriya	1 689	–	1 689
Mali	5 469	–	5 469
Mexico	679 491	–	679 491
Niger	1 906	–	1 906
Panama	15 648	–	15 648
Paraguay	31 661	–	31 661
Peru	77 441	–	77 441
Philippines	15 632	–	15 632
Senegal	9 814	–	9 814
Sierra Leone	2 469	–	2 469
Somalia	11 191	–	11 191
South Africa	15 485	15 485	–
Thailand	9 026	–	9 026
Uganda	9 589	–	9 589
Uruguay	54 388	–	54 388
Venezuela	32 298	–	32 298
Yugoslavia	7 598	–	7 598
Subtotal	**1 463 287**	**15 485**	**1 447 802**

		Unpaid as at 30 June 1997	*Collections 1 July 1997 - 30 June 1998*	*Unpaid as at 30 June 1998*
B	**Member States that have made no payments**			
	Burkina Faso	19 936	–	19 936
	Burundi	11 278	–	11 278
	Egypt	351 946	–	351 946
	Rwanda	11 278	–	11 278
	Spain	1 089 981	–	1 089 981
	Sudan	89 332	–	89 332
	Syrian Arab Republic	46 654	–	46 654
	Togo	16 174	–	16 174
	Yemen	45 299	–	45 299
	Subtotal	**1 681 878**	**–**	**1 681 878**
C	**Member States with unpaid balances representing an additional 25 per cent assessment for the reserve requirement**			
	Belgium	144 583	–	144 583
	France	765 655	–	765 655
	South Africa	65 377	65 377	–
	Subtotal	**975 615**	**65 377**	**910 238**
D	**Member States that have indicated they will not contribute**			
	Albania	45 299	–	45 299
	Belarus	911 964	–	911 964
	Bulgaria	181 155	–	181 155
	Cuba	249 811	–	249 811
	Czech Republic	907 423	–	907 423
	Hungary	898 298	–	898 298
	Jordan	45 299	–	45 299
	Mongolia	12 387	–	12 387
	Poland	2 528 364	–	2 528 364
	Romania	682 212	–	682 212
	Russian Federation	27 665 631	–	27 665 631
	Saudi Arabia	74 890	–	74 890
	Slovakia	907 422	–	907 422
	Ukraine	3 476 580	–	3 476 580
	Subtotal	**38 586 735**	**–**	**38 586 735**
	Grand total	**42 707 515**	**80 862**	**42 626 653**

Notes to the financial statements for peacekeeping operations for the period from 1 July 1997 to 30 June 1998

Note 1. The United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, were as follows:

(i) The maintenance of international peace and security;

(ii) The promotion of international economic and social progress and development;

(iii) Universal observance of human rights;

(iv) The administration of international justice and law;

(v) The development of self-government for Trust Territories;

(b) The General Assembly focuses on a wide range of political, economic and social issues as well as the financial and administrative aspects of the Organization;

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts towards resolving conflicts, restoring democracy, promoting disarmament, providing electoral assistance and facilitating post-conflict peace-building;

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in other United Nations organizations' efforts to address international economic, social and health problems;

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2. Summary of significant accounting policies

The following are the significant accounting policies of the United Nations:

(a) The United Nations accounts are maintained in accordance with the Financial Regulations of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the Regulations and administrative instructions issued by the Under-Secretary-General for Management or the Controller. They also take fully into account the common accounting standards for the United Nations system, as adopted by the Administrative Committee on Coordination. The General Assembly took note of those standards in its resolution 48/216 C of 23 December 1993. The United Nations follows international accounting standard 1 on the disclosure of accounting policies, as modified and adopted by the Consultative Committee on Administrative Questions at its fifty-fourth session, as shown below:

(i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;

(ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;

(v) Financial statements should show corresponding figures for the preceding period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified;

(b) The United Nations accounts are maintained on a "fund accounting" basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing, double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature;

(c) In accordance with the requirements of General Assembly resolution 49/233 A of 23 December 1994, the financial period for peacekeeping operations has been changed to a fiscal year period from 1 July to 30 June. The financial period of the Organization for all other funds is a biennium consisting of two consecutive calendar years;

(d) Income, expenditure, assets and liabilities are recognized on the accrual basis of accounting;

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the Under-Secretary-General for Management. In respect of such currencies, the financial statements prepared at such intervals as may be prescribed by the Controller under delegation of authority from the Under-Secretary-General for Management, shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than United States dollars, translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation significantly different from the application of United Nations rates of exchange for the last month of the financial period, a footnote will be presented quantifying the difference;

(f) The United Nations financial statements are prepared on the historical cost basis of accounting and have not been adjusted to reflect the effects of changing prices for goods and services;

(g) The United Nations financial statements are presented in accordance with the ongoing recommendations of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) Working Party on Financial Statements, which has established United Nations accounting standards. As per requirements of those standards, statement I reflects income and expenditures and changes in reserves and fund balances for all peacekeeping operations; statement II reflects assets, liabilities, reserves and fund balances for all peacekeeping operations; and statement III reflects cash flows for all peacekeeping operations;

(h) Income:

(i) Amounts necessary to finance the activities of the United Nations regular budget peacekeeping operations, international tribunals and the Working Capital Fund are

assessed on Member States according to the scale of assessments determined by the General Assembly;

(ii) For financial statement purposes, income is recognized when an assessment on Member States has been authorized by the General Assembly and notifications of assessment have been issued by the Secretariat for the financial period. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been levied;

(iii) Amounts assessed on non-member States that agree to pay reimbursement of costs for their participation in United Nations treaties, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States or other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. In accordance with General Assembly resolution 44/192 A of 21 December 1989, voluntary contributions made in cash or in the form of services and supplies that are acceptable to the Secretary-General are credited to income or noted in the financial statements;

(v) Allocations from other funds represent monies appropriated or designated from one fund for the transfer to and disbursement from another fund;

(vi) Income for services rendered includes reimbursements for salaries of staff members and other costs that are attributable to providing technical and administrative support to other organizations;

(vii) Interest income includes all interest and related investment income earned on invested funds, various bank accounts and time deposits;

(viii) Miscellaneous income includes income from rental of premises, sale of used or surplus property, refunds of expenditures charged to prior periods, income resulting from net gains resulting from currency translations, settlements of insurance claims, monies accepted for which no purpose was specified and other sundry income;

(i) Assets:

(i) Cash and term deposits comprise funds on deposit in interest-bearing bank accounts, certificates of deposit and call accounts;

(ii) The balances of unpaid assessed contributions due from Member States are reported irrespective of collectability, and no provision is made for delays in collection of such assessments;

(iii) Deferred charges comprise expenditure items that are not properly chargeable in the current financial period and that will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 110.6. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(iv) For balance sheet statement purposes only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances settled;

(v) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is disclosed in notes to the financial statements;

(j) Liabilities, reserves and fund balances:

(i) Operating and other types of reserves are included in the totals for reserves and fund balances shown on the financial statements;

(ii) Commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current period obligations related to the Special Account for peacekeeping remain valid for 12 months following the end of the financial period to which they relate. Unliquidated obligations relating to peacekeeping operations owed to Member States may be retained for a period of five years beyond the end of a financial period;

(iii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iv) Contingent liability, if any, is disclosed in notes to the financial statements;

(v) The United Nations is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined-benefit plan. The financial obligation of the organization to UNJSPF consists of its mandated contribution at the rate established by the Assembly together with its share of any actuarial deficiency payments that might become payable pursuant to article 26 of the Regulations of the Fund.

Note 3. Accounting provisions for peacekeeping operations

All of the accounts for the peacekeeping operations have been maintained in accordance with the provisions of the Financial Regulations and Rules of the United Nations, with due regard to the following:

(a) Financial regulation 2.1, which states that the financial period of peacekeeping operations with special accounts shall be one year from 1 July to 30 June;

(b) Financial regulation 11.4, which states that the annual accounts for peacekeeping operations with special accounts shall be submitted by the Secretary-General to the Board of Auditors no later than 30 September each year;

(c) Article IV of the financial regulations. Special arrangements have been made by the General Assembly relating to unliquidated obligations for certain peacekeeping operations. Paragraph 2 of its resolution 33/13 F of 14 December 1978 reads as follows:

"2. *Approves* the following special arrangements for the United Nations Emergency Force and the United Nations Disengagement Observer Force in regard to the application of article IV of the United Nations Financial Regulations, whereby appropriations required in respect of obligations owed to Governments providing contingents and/or logistic support to the Forces shall be retained beyond the period stipulated under financial regulations 4.3 and 4.4:

"(a) At the end of the twelve-month period provided for in regulation 4.3, any unliquidated obligations of the financial period in question relating to goods supplied and services rendered by Governments for which claims have been received, or which

are covered by established reimbursement rates, shall be transferred to accounts payable; such accounts payable shall remain recorded in the Special Account until payment is effected;

"(b) Any other unliquidated obligations of the financial period in question owed to Governments, for goods supplied and services rendered, as well as other obligations owed to Governments, for which required claims have not yet been received, shall remain valid for an additional period of four years following the end of the twelve-month period provided in regulation 4.3; claims received during this four-year period shall be treated as provided under subparagraph (a) above, if appropriate; at the end of the additional four-year period any unliquidated obligations shall be cancelled and the then remaining balance of any appropriations retained therefor will be surrendered."

Similar provisions have been accorded to other missions as follows:

Mission	*Resolution*	*Date*
UNDOF	33/13 F	14 December 1978
UNIFIL	34/9 C	17 December 1979
UNIIMOG	45/245	31 December 1990
UNTAG	45/265	17 May 1991
UNIKOM	47/208 B	14 September 1993
UNPROFOR	47/210 B	14 September 1993
ONUSAL	47/234	14 September 1993
UNAVEM	49/227	23 December 1994
MINURSO	49/466 (decision)	23 December 1994
UNOMIG	49/231	12 July 1995
UNOMIL	50/210	23 December 1995
UNMIH	50/90 B	7 June 1996
UNAMIR	50/211 B	7 June 1996
UNFICYP	50/236	7 June 1996
UNSMIH	51/15 B	13 June 1997
UNMIBH	51/152 B	13 June 1997
UNTAES	51/153 B	13 June 1997
UNPREDEP	51/154 B	13 June 1997
UNTAC	52/239	26 June 1998
ONUMOZ	52/240	26 June 1998
UNOSOM[a]		

[a] Concurrence of the Advisory Committee on Administrative and Budgetary Questions by letter dated 16 July 1997.

(d) Voluntary contributions:

(i) General provisions:

a. In accordance with General Assembly resolution 44/192 A, voluntary contributions made as outright grants, both in cash and in the form of services and supplies acceptable to the Secretary-General, shall be considered income to be credited to the special account for each peacekeeping operation except the United Nations Interim Force in Lebanon (UNIFIL). Contributions in cash made available to the

Secretary-General on a voluntary basis as advances shall not be considered as income in determining the total amount to be assessed on Member States; unless otherwise specified by the donor, such contributions shall be deposited in suspense accounts;

b. In that resolution, the Assembly took note of certain proposals on technical guidelines relating to the treatment and valuation of voluntary contributions in the form of supplies and services. Those guidelines include the provision that where a voluntary contribution in kind is made as a grant in respect of supplies and services and for which there is no budgetary provision, no accounting entry will be made, but the amount of the contribution will be reflected in a footnote to the financial statements. Where such contributions are made in respect of supplies and services included in the budget, they will be recorded as income under the heading "Voluntary contributions" at the level at which the supplies and services have been budgeted; they will be recorded in the accounts only at the time of delivery of supplies or commencement of services;

(ii) United Nations Peacekeeping Force in Cyprus accounts:

a. Prior to 16 June 1993, the Secretary-General was not authorized to utilize any funds other than the voluntary contributions pledged by Governments for the financing of the United Nations Peacekeeping Force in Cyprus (UNFICYP). In accordance with financial rule 106.1, no commitments, obligations or disbursements against any funds could be incurred without the written authorization of the Controller or his authorized delegate. Such authorizations take the form of allotments, which could be issued for the period prior to 16 June 1993 only after sufficient contributions had been received to meet the requirements for financial obligations. UNFICYP allotments and the recording of obligations for the period prior to 16 June 1993 are limited to amounts that are within the total of pledged contributions. As a consequence, the full amount of UNFICYP obligations that will be payable for the period prior to 16 June 1993 has not been recorded, in particular in respect of reimbursements for extra costs in connection with pay and allowances of contingents and for extra costs in connection with contingent-owned equipment. The amount of such unrecorded obligations is reflected in a footnote to the appropriate financial statements;

b. The General Assembly decided by resolution 47/236 of 14 September 1993 that beginning 16 June 1993 the costs of UNFICYP should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations. Mandate periods from 16 June 1993 to 30 June 1996 have been established, for which appropriations and assessments have been raised on the Member States in accordance with relevant Assembly resolutions;

(e) Peacekeeping Reserve Fund. By resolution 47/217 of 23 December 1992, the General Assembly established the United Nations Peacekeeping Reserve Fund as a cash-flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations. The level of the Peacekeeping Reserve Fund was established at $150 million. In accordance with the resolution, $49,242,762 was allocated from unencumbered balances in the Special Account of the United Nations Transition Assistance Group, $18,156,200 from unencumbered balances in the special account of the United Nations Iran-Iraq Military Observer Group and $82,601,038 from authorized retained savings in the United Nations General Fund.

Note 4. Explanatory notes on assessed contributions receivable

Assessed contributions receivable, as shown in the accounts for the period ended 30 June 1998, have been recorded in accordance with the Financial Regulations and Rules of the United Nations and the relevant resolutions of the General Assembly. With reference to the amounts shown as unpaid, certain Member States have indicated that they do not intend to pay some of their assessed contributions or that such contributions will be paid only under certain conditions. With regard to the foregoing, a number of Member States have requested that attention be drawn to their positions (as stated by their delegations at successive sessions of the Assembly), particularly with respect to the following:

(a) To the extent that the amounts relate to the expenditures under the ad hoc account for the United Nations Operation in the Congo (ONUC) and the United Nations Emergency Force (1956) (UNEF) Special Account, which, in the view of some Member States, were illegal, they do not consider themselves bound, under the provisions of Article 17 of the Charter of the United Nations, to participate in paying for those expenditures. As a result, withholdings by certain Member States from payments for the financing of ONUC (statement XXXII) and UNEF 1956 (statement XXXIII) are estimated to be $70.2 million and $38.6 million respectively. The estimate, which is based on the apportioned shares of the States concerned, excludes $6.7 million and $5.3 million respectively in unpaid assessed contributions to ONUC and UNEF (1973) by China for the period up to 24 October 1971. Following the adoption by the General Assembly of resolution 2758 (XXVI), entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations", on 25 October 1971, that amount was transferred to a special account pursuant to Assembly resolution 3049 C (XXVII) of 19 December 1972).

(b) Certain Member States have stated that they do not intend to participate in the financing of UNEF (1973), the United Nations Disengagement Observer Force (UNDOF) and UNIFIL; other States have stated that they have excluded from their contributions to UNEF their shares of the expenses which they attribute to the additional functions resulting from the agreement of 4 September 1975 between Egypt and Israel;

(c) As a result of the positions taken by some Member States as outlined above, certain Member States have not participated in the financing of UNEF (1973) and UNDOF in an estimated amount of $5 million, which covers UNEF (1973) until its liquidation in 1979 and UNDOF to 30 June 1998. That amount excludes $36 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account by virtue of General Assembly resolution 36/116 A of 10 December 1981;

(d) Withholdings by certain Member States from payments for the financing of UNIFIL are estimated to be $46.3 million. That estimate, which is based on the apportioned shares of the States concerned from the inception of UNIFIL on 19 March 1978 to 30 June 1998, excludes $19.6 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account under General Assembly resolution 36/116 A.

Note 5. Peacekeeping special account fund summaries: income and expenditure and changes in reserves and fund balances (statement I); assets, liabilities, reserves and fund balances (statement II); and cash flow (statement III)

(a) Statements I, II and III contain financial results for all United Nations peacekeeping funds, which are totalled into three groups of related funds and consolidated into a grand total reflecting all individual peacekeeping accounts of the Organization. This consolidated presentation should not be interpreted to mean that any of the individual funds

can be used for any other purpose than that for which it is authorized. The financial results of peacekeeping operations are summarized in statements I and II, representing all active and completed peacekeeping missions (statements IV–XVIII); the Peacekeeping Reserve Fund (statement XIX); the support account for peacekeeping operations (statement XX); the United Nations Logistics Base, Brindisi (statement XXI); and completed peacekeeping missions (statements XXII–XXXIII);

(b) To comply with the new uniform financial statement formats, statement I includes two calculations of the excess (shortfall) of income over expenditure. The first calculation is based on income and expenditure only for the current period in the biennium. The second calculation shown is a net one, which includes any prior period adjustments to income or expenditure;

(c) The cash flow summary statement (statement III) for peacekeeping operations is based on the indirect method of cash flow statements covered by international accounting standard 7.

Note 6. United Nations Emergency Force (1973) and United Nations Disengagement Observer Force (statement V)

The General Assembly, on a number of occasions, has authorized the temporary suspension of financial regulations 5.2 (b), 5.2 (d), 4.3 and 4.4 in order to allow UNEF/UNDOF to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of Assembly resolution 50/83 of 15 December 1995, those authorized retained surpluses were reduced proportionately by a total of $15.3 million to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. The total authorized retained surplus is $49,609,273 as at 30 June 1998.

Note 7. United Nations Interim Force in Lebanon (statement VI)

The General Assembly, on a number of occasions, has authorized the temporary suspension of financial regulations 5.2 (b), 5.2 (d), 4.3 and 4.4 in order to allow UNIFIL to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of Assembly resolution 50/83, those authorized retained surpluses were reduced proportionately by a total of $25.6 million to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. The total authorized retained surplus is $82,877,949 as at 30 June 1998.

Note 8. Status of contributions as at 30 June 1998

(a) Contributions receivable from Member States as at 30 June 1998 are shown in most peacekeeping financial statements only in total. Detailed information for each of the separate peacekeeping operations on assessments and collections as at 30 June 1998 and on all outstanding balances due for each Member State may be found in the report entitled "Status of contributions as at 30 June 1998" (ST/ADM/SER.B/527);

(b) The status of contributions report for 30 June 1998 was printed too early in July 1998 to reflect any assessments approved by the General Assembly in late June 1998. However, the financial statements in all cases do include such late June 1998 assessments as income, and the new amounts due become part of the outstanding contributions from Member States shown as at 30 June 1998. As a result, in some cases the amounts shown as contributions outstanding from Member States as at 30 June 1998 in the financial statements may be higher than the corresponding amounts shown in the status of

contributions report as at 30 June 1998. In those instances, the late June 1998 assessments are reflected in the end of July 1998 status of contributions report (ST/ADM/SER.B/529).

Note 9. Non-expendable equipment

The following table shows the value of non-expendable equipment, at cost, at peacekeeping missions, according to the cumulative inventory records of the United Nations as at 30 June 1998. In accordance with United Nations accounting policies, non-expendable equipment is not included in the fixed assets of the Organization but is charged against the current appropriations when acquired.

Mission	*Amount (millions of United States dollars)*
UNFICYP	4.5
UNDOF	23.6
UNIFIL	92.4
UNIKOM	38.2
MINURSO	23.3
UNTAES	7.9
UNPREDEP	17.3
UNMIBH	58.3
UNOMIG	6.5
UNMOT	3.7
UNAVEM/MONUA	81.4
UNAMIR	0.0
UNOMIL	0.0
UNSMIH/UNTMIH/MIPONUH	21.0
MINUGUA	7.0
MINURCA	2.5
United Nations Logistics Base at Brindisi	58.2
UNOMSIL	0.9
Total	**446.7**

Note 10. Contingent liabilities

(a) International accounting standard 10 broadly defines contingency as an existing condition, situation or set of circumstances involving uncertainty as to possible gain or loss that will ultimately be resolved when one or more future events occur or fail to occur.

(b) The Organization may have contingent liabilities arising from various peacekeeping operations of a material but undeterminable amount in respect of certain claims for reimbursement of services provided by Governments that are under negotiation, as well as pending claims in arbitration filed by various vendors who provided services to peacekeeping operations. The total of such claims amounts to $255 million. However experience shows that the amounts of compensation either settled or awarded by the arbitral tribunal are significantly lower than the amounts claimed.

Annex I

Peacekeeping operations funded by the regular budget

Status of appropriations by major object of expenditure for the six-month period of the biennium 1998–1999 ending 30 June 1998
(Thousands of United States dollars)

Programme	*Appropriation*	*Salaries and common staff costs*	*Travel*	*Contractual services*	*Operating expenses and supplies*	*Acquisitions and new premises*	*All other expenses*	*Total expenditures*	*Balance*
Part II, section 3 — Peacekeeping operations and special missions									
Executive direction and management	9 423.2	1 614.8	88.1	11.5	170.1	75.1	–	1 959.6	7 463.6
MINUGUA	36 815.0	8 893.0	183.8	53.8	2 034.7	1 551.8	895.7	13 612.8	23 202.2
UNTSO	53 461.3	6 762.1	630.7	–	919.8	151.6	1 785.6	10 249.8	43 211.5
UNMOGIP	15 703.0	1 347.6	212.1	–	560.7	154.1	257.7	2 532.2	13 170.8
Office of the Secretary-General in Afghanistan	3 968.1	491.2	72.0	–	421.0	15.0	126.9	1 126.1	2 842.0
MICIVIH	7 677.2	1 885.5	11.9	141.0	216.2	4.2	–	2 258.8	5 418.4
Mission to Burundi	2 565.4	915.9	26.2	–	399.1	23.6	–	1 364.8	1 200.6
Field operations support	4 003.8	790.5	15.4	–	–	–	–	805.9	3 197.9
Other special missions	13 143.6	3 000.4	288.8	–	1 152.8	404.8	146.8	4 993.6	8 150.0
Total, section 3	**146 760.6**	**25 701.0**	**1 529.0**	**206.3**	**5 874.4**	**2 380.2**	**3 212.7**	**38 903.6**	**107 857.0**

Annex II

Activities related to peacekeeping operations funded by trust funds

Schedule of income, expenditure, reserves and fund balances for the period from 1 July 1997 to 30 June 1998 as at 30 June 1998

(Thousands of United States dollars)

Trust fund	*Reserves and fund balances, beginning of period*	*Income*	*Expenditure*[a]	*Reserves and fund balances, end of period*
Trust Fund for Iraq-Kuwait Border Issues	760	48	0	808
Trust Fund for the Restoration of Essential Services in Sarajevo	10 159	1 159	4 599	6 719
Trust Fund for the Implementation of the Cotonou Agreement in Liberia	4 202	785	1 578	3 409
Trust Fund to support the implementation of the Agreement on Temporary Ceasefire and the Cessation of Other Hostile Acts on the Tajik-Afghan Border and within the Country for the Duration of the Talks	36	1	21	16
Trust Fund for Electoral Assistance to Haiti	542	70	10	602
Trust Fund for Negotiations to find a Comprehensive Settlement of the Georgian-Abkhaz Conflict	772	49	12	809
Trust Fund for Economic Revitalization and Restoration of Essential Services in Eastern Slavonia	1 635	1 752	2 431	956
Voluntary Fund for the Cambodian Peace Process	3 240	194	5	3 429
Trust Fund for the Activities of the International Support and Verification Commission	3 331	208	0	3 539
Cambodia Trust Fund	1 676	100	0	1 776
Trust Fund for Somalia — Unified Command	9 647	605	0	10 252
Trust Fund in Support of the Implementation of the Agreement on a Ceasefire and Separation of Forces, signed in Moscow on 14 May 1994	80	36	0	116
Trust Fund to Provide Goods and Services to the International Police Monitoring Programme and other Specifically Designated Purposes in Haiti	1 669	180	629	1 220
United Nations Trust Fund for Demining Activities in Angola	393	11	379	25
Trust Fund for the Police Assistance Programme in Bosnia and Herzegovina	2 867	6 158	2 954	6 071
Trust Fund for Confidence-Building Measures in Eastern Slavonia	46	515	189	372
Trust Fund for the Enhancement of UNSMIH Capacity	5 720	5 841	5 495	6 066
Trust Fund for Sierra Leone	0	3 346	0	3 346
Trust Fund to Support the Activities of MINURCA	0	71	0	71
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	39 590	2 397	0	41 987
Trust Fund for the Commission on the Truth for El Salvador	217	8	0	225
Trust Fund for Activities related to Administrative and Budgetary Aspects of Peacekeeping Operations	162	10	0	172
Trust Fund for Assistance to the Office of the Special Representative of the Secretary-General to the former Yugoslavia	630	48	364	314
Trust Fund for Demining Activities in UNPROFOR	838	53	0	891
Trust Fund for Support from Government and Organizations to the Department of Peacekeeping Operations Lessons Learned Mechanism	474	22	407	89
Trust Fund for the Financing of a United Nations International Conference on Medical Support for Peacekeeping Operations	67	5	26	46
Trust Fund to Support the Activities of UNDOF	143	221	110	254

Trust fund	*Reserves and fund balances, beginning of period*	*Income*	*Expenditure*[a]	*Reserves and fund balances, end of period*
Trust Fund for Assistance to Military Officers on Loan from Governments in Support of Peacekeeping	35	4	1	38
Trust Fund for Improving Preparedness for Conflict Prevention and Peacekeeping in Africa	210	13	65	158
Trust Fund for the Rapidly Deployable Mission Headquarters	474	328	101	701
Total	**89 615**	**24 238**	**19 376**	**94 477**

[a] Includes expenditure, adjustments for prior period, transfers to and from reserves for allocation, refunds to donors and transfers to other funds.